



AGENDA
RIO DELL CITY COUNCIL
CLOSED SESSION – 6:00 P.M.
REGULAR MEETING - 6:30 P.M.
TUESDAY, AUGUST 2, 2016
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

- A. CALL TO ORDER
- B. ROLL CALL
- C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:
 - 1) 2016/0802.01 - **Conference with Labor Negotiator – City Manager**
Concerning Labor Negotiations with Rio Dell Employees Association, Rio Dell Police Officers Association, and all Contract Employees (Pursuant to Gov't Code §54957.6)
- D. PUBLIC COMMENT REGARDING CLOSED SESSION
- E. RECESS INTO CLOSED SESSION
- F. RECONVENE INTO OPEN SESSION – 6:30 P.M.
- G. ORAL ANNOUNCEMENTS
- H. PLEDGE OF ALLEGIANCE
- I. CEREMONIAL MATTERS

J. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

K. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council members if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

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|---|----|
| 1) 2016/0802.02 - Approve Minutes of the July 19, 2016 Regular Meeting
(ACTION) | 1 |
| 2) 2016/0802.03 - Authorize the Finance Director to Sign and Submit the
City's Annual Transportation Development Act (TDA)
Claim (ACTION) | 57 |
| 3) 2016/0802.04 - Authorize the City Manager to Execute a Continued Contract
Agreement with Adult Day Health & Alzheimer Services for
Transportation Services for the FY 2016/17 (ACTION) | 67 |
| 4) 2016/0802.05 - Check Register for June 2016 (RECEIVE & FILE) | 71 |

L. ITEMS REMOVED FROM THE CONSENT CALENDAR

M. SPECIAL PRESENTATIONS/STUDY SESSIONS

N. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- | | |
|--|----|
| 1) 2016/0802.06 - Approve Appointment of three (3) Planning Commissioners
to Fill Current Vacancies on the Rio Dell Planning
Commission (DISCUSSION/POSSIBLE ACTION) | 75 |
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O. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

- 1) 2016/0802.07 - Resolution No. 1303-2016 Submitting to the Voters
Proposed Ordinance No. 346-2016 Adding Section 5.40
to the Rio Dell Municipal Code (RCMC) Creating a
"Cannabis" Classification and Setting Maximum Tax Levels
For the Categories of "Cannabis Cultivation Business" and
"Other Cannabis Businesses" with a Related Request to the
County Board of Supervisors to Consolidate Said Election
With the Statewide General Election, Further Directing the
City Clerk to take any and all Action Necessary Under Law
to Prepare for and Conduct the Election
(DISCUSSION/POSSIBLE ACTION) 97
- 2) 2016/0802.08 - Resolution No. 1305-2016 Submitting to the Voters an
Advisory Measure with a Related Request to the County
Board of Supervisors to Consolidate said Election with the
Statewide General Election, further Directing the City Clerk
to take any and all Actions Necessary Under Law to
Prepare for and Conduct the Election
(DISCUSSION/POSSIBLE ACTION) 114

- P. REPORTS/STAFF COMMUNICATIONS
- Q. COUNCIL REPORTS/COMMUNICATIONS
- R. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, August 16, 2016 at 6:30 p.m.*

RIO DELL CITY COUNCIL
REGULAR MEETING
JULY 19, 2016
MINUTES

The regular meeting of the Rio Dell City Council was called to order at 6:30 pm by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers Garnes, Marks, and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, Community Development Director Caldwell, Water/Roadways Superintendent Jensen, Dunham and City Attorney Gans

Absent: Chief of Police Hill, and Wastewater Superintendent Trainee Yapple (excused)

PUBLIC PRESENTATIONS

Mayor Wilson asked that anyone from the public wishing to address the Council at this time or under a specific agenda item to first fill out a speaker card.

Nick Angeloff announced the first meeting of the East-West Upstate Rail Committee for Trinity County would be held on Thursday to assess the grant for the feasibility study to connect with the national rail system. He also reported that the Chamber of Commerce is getting back on track thanks to a grantor coming in.

Councilmember Thompson commented on the newly installed chamber signage and said they look great. He thanked Water/Roadways Superintendent Jensen and the public works crew for a job well done.

Larry Arsenault began addressing the Council on the subject of medical cannabis and Mayor Wilson advised him that the appropriate time to talk about this matter would be later down on the agenda.

Jim Rutherford addressed the Council and said he spoke to the Council a couple of months ago on behalf of the Rio Dell Mobile Park. He said at that time he provided evidence that RV's use one-half of a normal residential EDU (equivalent dwelling unit). He said he showed examples from water and sewer districts that charge one-half as much as Rio Dell and the City Council asked him to focus his rate study on local districts.

He commented that he canvassed all eleven districts and is prepared to show that Rio Dell charges more than any of the other districts for RV spaces. He provided examples of sewer rates that ranged from the City's monthly charge of \$61.15 down to the City of Eureka's charge of \$11.54/month with Humboldt Community Services District in the middle at \$28.55/month.

He said for many years they did not pay water or sewer for six spaces because they were unoccupied, then for several years they reported to the City on a monthly basis the number of occupied spaces. He noted that this is not an uncommon practice and not unheard of in Humboldt County. He added that there are several methods used to calculate sewer rates for RV's in the County; the simplest method used by Humboldt Community Services District that simply charges an RV .5 EDU's or 50% for both water and sewer. He asked that the matter be placed on a future agenda to allow him the opportunity to present additional information to the Council.

Consensus of the Council was that the matter be place on a future agenda for further discussion.

CONSENT CALENDAR

Councilmember Thompson asked that the minutes from July 5, 2016 be removed for separate discussion.

Mayor Wilson stated that he also has some comments on the minutes.

A member of the public asked that the Measure Z Agreement with the County be removed for separate discussion.

Motion was made by Thompson/Johnson to approve the consent calendar including the approval of Resolution No. 1304-2016 Confirmation of the FY 2016/17 Tax Assessment for financing of the 1978 Sewer Assessment Bonds. Motion carried 5-0.

Mayor Wilson moved discussion of the removed consent calendar items after the Special Presentation by GHD Engineering

SPECIAL PRESENTATIONS/STUDY SESSIONS

Presentation and Discussion on City Engineering Projects by GHD

Rebecca Crow provided an update on ongoing engineering projects for the City which included an update on the Metropolitan Wells, the Water System Capital Improvement Project (CIP), the Active Transportation Program (ATP) Safety Improvements, and grant opportunities for the Belleview/Ogle Stormwater Project.

Metropolitan Wells Project: She began by providing a project timeline starting in April 2015 with installation of the monitoring wells and completion of the well cleaning, followed by the securing of grant funding. She said in January 2016, the design was 60% complete and at that time they realized there was a shortfall in funds for the project. As such, they went back to the State Water Resources Control Board and reactivated the Drinking Water State Revolving Fund application. She said as the City Council will recall, in 2015 the City attempted to get funds for the project and the State came back and said the City wasn't eligible because of the ratio of the median household income to the water rates at that time which were too low. She said between then and March 2016, the City implemented a rate increase that made the City eligible for grant funds through that program. She said in May 2016 the final design was completed and the project went out to bid. In June 2016 the bids were opened and earlier this month they received notification that the application through the Drinking Water State Revolving Fund was complete and is moving forward.

She continued with review of the bid strategy and said in March 2016, Steve McHaney who is their engineer overseeing the technical end of the project

provided a presentation to the Council to review the project. She said at that time they knew funds were tight for the city so he talked about the bid strategy and broke down the base bid as well as the bid additives to make the project could be completed with the grant funds available including the \$60,000 the City has committed to the project.

City Engineer Crow then provided an overview of the items included in the base bid, the additive bid items and contingency plan.

The June 16, 2016 total bid results were reported as follows:

- Wahlund Construction - \$1,375,900
- Mercer Fraser Co. - \$1,413,000
- GR Sundberg - \$1,633,250

She said as the Council may recall the total bid amount represents a significant increase in costs from what was originally presented. She explained the reason for that is due to the enhancements which are the difference in a bare-bones emergency project which is how it started and a project with some nice enhancements that allow for a more robust, reliable, long-term project which city staff really pushed for.

Next was review of the funding sources and with the additional funding request of \$665,876 from the Drinking Water State Revolving Fund and the City's contribution of \$57,000 she said the project is fully funded. She pointed out that the City's contribution which is less than 5% of the project is amazing. She noted that the project is pretty much shovel-ready and her hope is to bring forward the request of the Council to award the bid at the September 20, 2016 regular meeting with construction to begin shortly thereafter.

Mayor Pro Tem Johnson asked if the State, under the Drinking Water Revolving Fund grant have the power to give some, none or all of the requested \$665,000.

City Engineer Crow said she would be surprised if the entire amount was not awarded as the application has passed through all four of the required reviews.

Councilmember Thompson stated that the question of whether there should one or two filters was discussed and asked what the outcome was of that discussion.

City Engineer Crow stated the project includes two filters and also includes a chlorine contact pipe.

Water System Capital Improvement Plan (CIP) Priority Projects: Five projects were identified for a total cost of \$4,330,000. The projects included:

• Infiltration Gallery Extension	-	\$1,000,000
• Water Distribution Piping	-	\$2,500,000
• Painter Street Water Tank Replacement	-	\$300,000
• Water Meters	-	\$320,000
• Miscellaneous Equipment	-	\$210,000

City Engineer Crow reviewed potential funding sources for the capital improvement projects and said GHD submitted a \$475,000 Drinking Water Planning Grant in March 2016 which will cover the engineering report to evaluate improvements to the infiltration gallery, storage tanks, and distribution system, the planning, design, and preparation of environmental documents and permitting. She pointed out that the application is for 100% grant funding and is currently under review. She said the interesting note is that the same grant manager that was assigned to the Wells Project is assigned to this project. She noted that it could be six months before the final funding agreement is in place.

Bellevue/Ogle Stormwater Project: City Engineer Crow reported on the status of this project and said initially they were evaluating the Proposition 1 Storm Water Grant Program as a possible funding source however; review of the program revealed that it was not a good match for the City's project. She said next steps will be to continue evaluating potential funding opportunities as they become available, and review the overall project and try to bring in some components to make it more appealing to potential Prop 1 programs which focus on infiltration, water quality and restoration.

Rio Dell Safety Improvement and Community Outreach Project (Active Transportation Program (ATP)): City Engineer Crow reviewed the timeline for the project and said in June 2016 the CTC allocation request was submitted to Caltrans. She said that application is expected to be approved by CTC by October 2016 so between now and then the City needs to put out a Request for Qualifications (RFQ) for the preliminary work and environmental phase as well as hiring a consultant to do that work. She anticipated that work to take about 6 months then the cycle will basically start over in June 2017 and the City will then request the funds for the Plans, Specifications and Estimate (PS&E). In June 2018 the City can then request funds for construction of the project.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Approve Minutes of the July 5, 2016 Regular Meeting

Councilmember Thompson referred to page 19 of the minutes and said regarding his comment about the prior meeting to restrict cannabis related activities across the river, it was vague and he wanted to clarify that "across the river" meant the north side of the river in the annexed area of the former Eel River Sawmills site.

Mayor Wilson referred to the fourth paragraph on page 16 of the minutes and said that he believed the estimated revenue numbers should read \$2.2 million and \$1.2 million respectively rather than \$2.7 and \$1.1 million. Also, on page 16 the word "elective" in two places should be corrected to read "electorate".

Motion was made by Thompson/Garnes to approve the minutes of the July 5, 2016 regular meeting as amended. Motion carried 5-0.

Authorize the Mayor to Sign Agreement with County of Humboldt for Measure Z Funding

Cindy Rose addressed the Council regarding Measure Z funding. She presented questions related to the application submitted to the county and the city's response as to how the city is developing a plan for sustainability and diversification of funding sources so the city will not have to rely on Measure Z funding in the future. She said she would like to better understand exactly what is being developed to make sure there are necessary funds to continue providing the services currently sustained by Measure Z, which is scheduled to sunset in 2020.

She also asked what micro-enterprises are being looked at as far as sustainability; how the city's infrastructure is going to fund a part-time clerical support position for the police department; and what other economic development is being considered.

She expressed concern about the city hinging financial solvency on the future dream money from the sale of marijuana and the taxation of commercial medical marijuana. She said that she has no objection to Mayor Wilson signing the Measure Z application and thinks it is essential for the city to have this funding but wants to know what the plan is for the next four years to sustain the current level of services once the funding runs out. (Attachment 1 to these minutes).

City Manager Knopp explained when the city was originally looking at legal changes the State passed down through with the Medical Marijuana Regulation Safety Act (MMRSA) that the City was looking at it as potential for economic development.

He said in terms of economic development outside of medical marijuana, the City has steadily been working towards trying to pull in additional grant money and as the Council is aware, discretionary funds are very limited and mostly dedicated to maintaining existing law enforcement services to the community. As such, the focus has been to try and draw in grant dollars to do and as Rebecca Crow from GHD just reported, the City has been very successful in said acquiring grants including funding to do the Metropolitan Wells Project and it is looking like the City will be spending somewhere in the range of \$57,000 to \$60,000 and getting \$1.9 million in benefit. In addition to increased reliability in the water supply, it translates to economic development in the sense that we have alternatives during future droughts and will be developing a robust water system as well as water distribution. That base infrastructure is something that all businesses in the City rely on. He said the City is also looking at CDBG money that the federal government provided through the State to provide to communities to provide things like micro-enterprise assistance and those are focused on individual members of the community who have small businesses where they need money to kick start things. He said staff is hoping to bring those on line in the near future but certainly are asking the state and federal government to kick in with

grants which are sometimes plentiful but sometimes those grants dry up. What are historically low now are grants coming down from the state level for transportation projects and there are almost no transportation dollars at this point in time. He commented that the City was very fortunate in acquiring grant funding through the Active Transportation Planning (ATP) to do some safety improvements at the Wildwood Ave. and Highway 101 intersection. He said that will hopefully include an education component for children in the community to better understand safety with regard to riding their bikes in the community. He commented that the City has been very successful in terms of pulling in grants and those are the types of things, as a governmental agency in the community really have control of; we don't necessarily have control of who decides to invest in the community. Staff and the Council have a lot of ideas and there is a lot of enthusiasm in the community but has to have entrepreneurs with access to money to come and make this a reality. With that said it is definitely on the City's radar and agree that when Measure Z funds expire in three years there needs to be a plan in place because those funds are in doubt. He pointed out that the City has an ongoing deficit that has to be rectified one way or the other; either bringing in new businesses or finding a way to cut costs. As always, the City has to operate within its means and that is certainly an issue that is going to be coming up in three years for the Council to adjust to.

Motion was made by Johnson/Garnes authorizing the Mayor to sign an agreement with the County of Humboldt for Measure Z funding. Motion carried 5-0.

Mayor Wilson commented on something he meant to bring up during Public Presentations and said the issue is with regard to the school bus parked over in the field. He said he saw something on social media where some people in the City determined it was a good idea to go over and commit acts of vandalism on their property. He said it upset him quite a bit so he went over and apologized to the gentleman on behalf of the City and told him it wasn't acceptable. He commented that he has purchased the property and is in the process of getting a permit to build a house and is also complying with the city manager and police chief on city codes and ordinances so he can be a positive member of the community. He said he told him that he is welcome here. He then asked the public to speak to people they see or if they know who did this to ask that they

don't do this again as it reflects negatively on who we are and what we're about as a City. He said this behavior is not acceptable by any means.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Ordinance No. 342-2016 Establishing Medical Cannabis Commercial Land Use Regulations, Section 17.30.195 of the Rio Dell Municipal Code (RDMC)

Mayor Wilson began by reading a statement titled "*The Goal for the City of Rio Dell*" (*Attachment 2 to these minutes*). The key points were that the topic of marijuana/cannabis is a highly charged issue and either you are for it or against it; the council is deeply divided on the issue but all members of the Council care deeply about their city; citizen participation in city government is needed to operate effectively; the Planning Commission is a vital part of City government; City staff is incredible and committed to not just a job but a career that has the reward of affecting the community in which they work and live; and as we continue through this Medical Cannabis Land Use Ordinance issue we need to keep not just in the back of our minds that as citizens, staff, commissioners, and council we are all in this together and we will get through this.

City Manager Knopp provided background on what has happened to bring this item forward beginning with passage of Proposition 215 in 1996. He said in moving forward through some legislative changes more recently, in October 2015 the Medical Marijuana Regulations Safety Act (MMRSA) was signed into law. He said the Act was composed of three bills which began the creation of the regulatory framework for medical marijuana in California. He said among the many clarifications contained in MMRSA, the law clearly reinforces the ability for local governments to regulate this activity through land use ordinances and also through tax measures.

He said it should be noted that Rio Dell already has some regulations on Medical Marijuana under RDMC §1730.190 which regulates medical marijuana cultivation within the city limits, allowing indoor cultivation for personal medical use up to a maximum of 50 square feet. He also noted that no tax is imposed on this activity and the Code currently prohibits dispensaries within city limits.

City Manager Knopp then reviewed the summary of meetings held with the Planning Commission and City Council beginning in December 2015 with a

workshop held at the school on the MMRSA. He noted at that workshop were various experts in the field including representatives from the State Board of Equalization, Supervisor Estelle Fennel, and former District Attorney Paul Gallegos. Following that initial workshop, the Planning Commission held five meetings for review of the MMRSA and Land Use Ordinance; the City Council had ten meetings through July 5, 2016. He said at that meeting, Mayor Pro Tem Johnson recommended staff return on July 19, 2016 with an amended version of the Land Use Ordinance with cannabis activity restricted to north of the river, creating a regulatory framework for the Eel River Sawmills Annexation Area. Councilmembers Garnes and Thompson concurred but Councilmember Thompson has some suggested revisions to the ordinance he would like to propose, or possibly throw out the existing ordinance and start over on a new version.

He said ultimately the Council needs think about what the purpose is of this agenda item which is presumably to find a compromise, if at all possible. He said the original vision was to approve a land use ordinance and at the same time to propose a tax measure to the voters. He commented that at this point in time, the land use ordinance as originally proposed failed with a vote of 3-2 as well as the tax ordinance. He explained that in order for the tax measure to move forward it would need a 4-1 vote which presents kind of a problem because for this item to move forward, staff really needs a consensus of four councilmembers; not just a simple 3-2 majority.

He reiterated that the tax and the land use ordinance are tied together so staff can't really recommend moving forward without some type of consensus to move forward with the tax measure. Presumably the Council is here tonight to find a timely compromise so the goal staff is seeking is clear direction from the Council.

He added that this issue is a very important issue as it involves economic development funds into the City and staff wants to make sure the Council is given full opportunity to consider a possibly come to a compromise on this issue.

City Manager Knopp stated that some procedural issues have been brought to staff's attention and turned it over to the city attorney to discuss some of the options in terms of what the Council can do to move forward.

City Attorney Gans pointed out a couple of pertinent points and said what is agenzized tonight is the Land Use Ordinance establishing commercial cannabis use in the City of Rio Dell. He said to be clear, the Rio Dell Municipal Code (RDMC) places the burden on the City Manager to present to the Council such ordinances, resolutions, etc. necessary for the Council's governance of the City so there is this fundamental threshold issue on the land use ordinance for the Council to give clear direction to staff on whether there is a majority number of councilmembers that wish to establish a commercial medical cannabis zone of some sort in the City of Rio Dell.

He said this is the most fundamental issue that should preface any discussion of nuances or details of the ordinance. Procedurally if there is not political will to advance commercial cannabis here in Rio Dell, any one or more councilmembers could make a motion simply to table this agenda item at this time and could call for a vote on that issue. If three votes exist in favor to table the item, that would be the end of the discussion. He said procedurally, that would be one option.

He added that should the Council decide it wants to further consider creation and establishment of a land use ordinance for commercial cannabis activity in the City, some of the proposals he has seen are so substantive in nature that to comply with the government code, the recommendation he would provide tonight is that the Council review and take action at the Council level to come to some consensus if possible on the form of this ordinance if the Council wants it to exist and then return and give instruction to the Planning Commission to consider those revisions. He referred to a government code provision that actually requires the Council to, although they can freely amend, change, modify this ordinance but there is also a government code provision that requires the Council to return it to the Planning Commission for review and they in turn have an opportunity to review and report on the recommended revisions and provide a recommendation to the Council which is solely a recommendation to the Council within 40 days of those substantive changes. He noted that the changes he saw preliminarily that at least some individual councilmembers have interest in are so substantive, the Council definitely needs to follow that procedure in protocol if seek to further consider it.

He further explained that there are a lot of procedural options which have also been discussed by the Council such as submitting the ordinance to the electorate

and letting the electorate decide. He said that is also an option but it is procedurally somewhat convoluted but he could step them through that at direction of the Council. He said he is not optimistic at this juncture that there is time to get it on the November election but wouldn't necessarily foreclose that as a viable alternative but the time window is closing rapidly.

Mayor Pro Tem Johnson stated that he was the one that proposed this ordinance come back to the Council with revisions so that the area under consideration would be that area north of the river at the Eel River Sawmill area. He said at some point soon, he would like to see if there is a consensus of the Council to move in that direction with some sort of ordinance. He said if there needs to be three votes then the Council needs to start talking about what kind of options and what kind of compromise would be necessary in order to get this back to the Planning Commission in order to come up with a commercial cannabis land use ordinance.

Councilmember Thompson said the ordinance was defeated by a 3-2 vote and his understanding is that in order to bring that ordinance forward, one of the members that voted no would have to make the motion to bring it back for reconsideration. He said that did not happen as it moved forward by a consensus. He said the reason he went in that direction is because the Mayor had visions for the area of the Eel River Sawmills to develop some form of medical facility where people could come in for treatment. He said it is kind of a broad vision but the marijuana sales would help develop a new structure out there that benefits the City. He said the speakers for the marijuana group at various times mentioned the desire to work with the City to do various things.

He said the question in his mind is this group just interested in the profits or are they interested in making Rio Dell a more beautiful place to live. He said he really liked the Mayor's statement about having a research and development medical facility. His understanding of the 3-2 vote was that the Council was asking the City Manager to come back with some guidelines to move forward with discussions. His opinion was that the ordinance as proposed cannot move forward without some corrective measures because you can't move forward with a dead ordinance without the proper motion as a consensus doesn't bring a dead ordinance back to life. He said he needs legal assurance that these steps the Council has taken are absolutely legal.

City Attorney Gans stated that he believes the item was duly agenized for tonight's meeting and agenized as an action item. He explained the Council technically cannot adopt the ordinance with the substantive provisions that were discussed at the previous meeting for which was placed on this agenda without returning to the Planning Commission. He said If the Council wants to further consider this ordinance, they can do so and give staff direction to modify or change it any way the Council sees fit and bring it back for review those revisions at a subsequent meeting before formally referring it back to the Planning Commission but at some point in time, before they are done with the ordinance, they need to refer it back to the Planning Commission to review the revisions.

Councilmember Thompson said what he understands then is that basically the rule that stated that one of the individual councilmembers that voted no with the majority means nothing.

City Attorney Gans asked if he was referencing a general parliamentary rule.

Mayor Wilson said what he believes he is referring to the procedure for reconsidering a motion.

City Attorney Gans said technically under the General Roberts Rules of Order, a reconsideration motion should be supported by one of the members voting with the majority.

Mayor Wilson pointed out that it was not a motion but a request at the last meeting to bring the ordinance back for further consideration. He said under Rosenberg's Rules of Order, when the Council brings back a motion for reconsideration, it has to be made and seconded then voted on by a majority to pass. He explained there was no motion made or voted on in that sense and it is very clear in everything he read that it has to be someone that voted with the majority that makes the motion to reconsider.

He recited an excerpt on page 19 of the July 5th minutes which read "Mayor Pro Tem Johnson said he would like staff to agenize an item for the July 19th meeting to revisit the cannabis land use ordinance with the area north of the river considered. He commented that he knows at various times, at least four councilmembers have supported that option. City Manager Knopp asked each

council member to voice their opinion on whether to bring the ordinance back on July 19th.

He said then on page 20 of the minutes the City Manager stated that with three council members requesting this item return on July 19th, staff will draft a staff report and bring it back to council at that meeting.

He said the part he sort of has an issue with is that there is a vast difference with that statement and the statement in the staff report on page 79 of the packet that said the City Council directed staff to return with the Land Use Ordinance to place cannabis activity north of the river only, creating a regulatory framework for the Eel River Sawmills Annexation Area.

Mayor Wilson continued by stating that he too is very much in favor of a Land Use Ordinance that goes down the lines of what he talked about; something that has been thoroughly researched. He said he knows there are players in this game who are sincere about wanting to do true medical marijuana. The Planning Commission went to great effort to draft an ordinance that again is better, he feels than the County's. He commented that there are portions of the ordinance that were voted down and the ordinance placed on the agenda was designed for an entire city with multiple zones and multiple uses for those zones. He said now that those things have been taken out such as dispensaries, different kinds of grows, and processing facilities and moved across the river he doesn't see how the ordinance can't simply be restructured in a comprehensive way. Also, as with Mayor Pro Tem Johnson, he too wants the city to get something out of this. He noted that there is a company that purchased 4 acres across the river with the intent of doing it right.

He added that what originally intrigued him about this whole process is the company called Bio-Trak Industries that talked about million dollar machinery and that seriously want to do things that don't contribute to the people who are diverting products into the market for recreational use. He pointed out that we all know that most of the marijuana grown with 215 cards is used as recreational, not medical marijuana. On the other hand, there are many people who have benefited from it medically and can now function in society because of it. He commented that it is a substance that is here for good no matter how you feel about it.

He stated that he is on board with what is being proposed at this time. He said he doesn't want to see Diza Biotrak who has invested money on our community to leave and not have an opportunity to enrich this City.

He commented that other cities such as Arcata, Eureka and Fortuna all have a mold and he wants Rio Dell to have a mold that says we're in on this medical cannabis.

He said as everyone probably noticed he has shifted his words about cannabis and if the Council was to vote today, he would vote in favor of commercial medical cannabis with the restrictions as discussed. He said he was adamant before about the issue but has changed his view; he said if no one understands what that means, they don't know him because it's kind of a thing with.

Mayor Wilson continued by saying that he wants this to work for our community and as Councilmember Thompson said there were people who came to these meetings who were pro-marijuana and have since disappeared. In fact, some people disappeared after an 83 year old woman stood up at the pulpit and wouldn't sit down. He said he uses that as a crass statement but those are the people he doesn't want standing behind him in a bar fight; he wants the people that want to come into this community and stand here and deal with the issues like the biggest percentage of the people in this room have done for decades. He said those are the people who are his constituents.

He stated that this ordinance is not something that is going to happen with the November election; it's something that's going to have to be drafted by the Council and the Council is going to have to sit down with the Planning Commission at special meetings to come up with an ordinance that works. He said he is committed and will make every effort to participate in as many meetings as necessary to get it right.

Councilmember Garnes stated that she was a little unclear about what Councilmember Thompson was saying with regard to the tax.

Councilmember Thompson stated that after the last meeting he started thinking and tried to come up with a vision and came up with a proposal for a marijuana land use ordinance.

He said he discussed his plan with the City Manager and also spoke to Dennis Wendt about the plan and said he is present tonight.

He provided a handout of his proposed plan for a Marijuana Land Use Ordinance (Attachment 3 to these minutes) and related conditions he felt must be met in order to proceed with drafting an ordinance he would be comfortable with.

He also presented the concept of establishing an Enterprise Zone and explained what that is as a specific geographical area that has been designated by a governmental authority and businesses within the enterprise zone are entitled to receive various types of financial aid such as grants and special tax benefits.

He said to keep in mind that Dennis Wendt owns the property at the former Eel River Sawmill site the Council is talking about and he ultimately has control of the zoning of that property and he respects that. With that said, he feels if he studies this concept a little more he might see the benefits of establishing an Enterprise Zone.

Councilmember Thompson commented that the ordinance that was voted down included language for indemnifying the City. He said nevertheless he feels there is so much that is unknown about the medical marijuana industry that even if a developer indemnifies the City, they may not even be around in 5 years, leaving potentially a big mess. He said the City needs to have a bond from the developer, perhaps for 10 years indemnifying the City. Also, to make sure the developer has the money to do what he is supposed to do is suggesting they start out with a \$25,000 construction deposit that would be returned to the developer at the end of 5 years with interest. He also suggested a 10 year investment covenant, dedicated funds to help schools with drug addiction families and a 10 year moratorium on the zoning of additional agricultural land for marijuana cultivation.

He presented a proposed land use map and said he was amazed to see that the City of Arcata's land use ordinance basically reflects what he is suggesting.

He said with this proposal in mind, he is willing to talk about a new cannabis land use ordinance.

Councilmember Garnes said as a point of clarification, she is not sure but citizens may have gotten the wrong impression about the motion she put forth on June 21st and even though it is moot point now, she wanted to state for clarification that the motion she called for was to restrict all cultivation, with the exception of the Dinsmore Plateau area to north of the bridge at the former Eel River Sawmills site in the Industrial Commercial (IC) zone only for businesses such as extraction facilities, labs, processing, and distribution centers. Also, any businesses within the City would be subject to a 1,000 foot setback instead of 600 feet as originally proposed; the good neighborhood policy would include a setback with a 300 foot radius rather than a 100 foot; and businesses would all be subject to a conditional use permit and stringent performance standards. She said testing labs would be no different than any other testing lab and would have limits on the amount of product they could have on site. Dispensaries would have stringent restrictions as well.

She stated that she just wanted to make clear what she put forth and that it basically is what staff recommended. She said apparently there was some sort of misunderstanding that the intent was to put dispensaries and distribution facilities all over the City, including in the Town Center (TC) but anything else that might have been perceived is not correct. The intent was to move all activities north of the river with the exception of cultivation on the Dinsmore Plateau.

Councilmember Garnes then read a statement by Robert F. Kennedy which said: *"There are people in every time and every land who want to stop history in its tracks. They fear the future, distrust the present and invoke security of the comfortable past which, in fact, never existed."*

She pointed out that every August, Rio Dell celebrates its wild and colorful past with brothels and bars and actually puts that history in brochures. She said there is this history that Rio Dell had and a certain stigma that still exists. She said when she first came to Rio Dell and was attending College of the Redwoods, there was young man around 20 years old in her class and when he heard she was from Rio Dell he commented that his mother would never let him go to Rio Dell. She said growing up in Detroit she knows there is history that never goes away no matter if you clean up a little or clean up a lot.

She said that it's important that everyone, even those that voted against the ordinance, recognizes that what she put forward and staff as well, that this idealistic scene that we all have in our heads as we want to believe has never been as idealistic as what we are talking about now. She commented that from she has read and heard from people she has talked to, Rio Dell has come leaps and bounds from where it once was which is a good thing.

She commented that she doesn't want citizens to think that she is trying to ruin the city. She said she doesn't know what is necessarily the best thing to do for Rio Dell or what is the worst but she does know that there is an option out there for legitimate business people who want to embrace the community and they are asking Rio Dell to embrace them. She pointed out that this is the only industry that has come knocking on our door and regardless of whether we actually have gone out and tried to get people to come here, we need to acknowledge that this is the only industry that has come forth. She said we need to not be afraid and to think that we have to be second all the time and can never be the leader because we aren't capable of handling or that somehow City staff can't handle it, especially since there were only 4 potential applicants. She added that essentially what we are saying is that if staff can't handle the permit process for the medical cannabis industry, they can't handle IKEA or Danco or any other potential developer that wants to come into the City. She pointed out that this is a negative attitude to have and she personally believes that we, as a City Council, along with staff can handle it and are up for the task.

Councilmember Garnes further stated that clearly this ordinance is not going to happen at this moment, even with the compromise as discussed, because it would have to go back before the Planning Commission for review.

City Attorney Gans explained that the ordinance potentially doesn't have to go back for re-hearing before the Planning Commission but under the California Government Code, the Planning Commission does have a 40 day period in which to review and comment and make a recommendation to the City Council; if no recommendation is received, the revisions are deemed to be approved by the Planning Commission. He said to fully comply with the Government Code the Council should follow that protocol.

Councilmember Garnes said her hope is that the Council can come to some sort of compromise on the ordinance and that it is important that everyone is comfortable with whatever the decision is. She noted that she is not totally convinced that a compromise will be reached but would really like to see the Council come to an agreement.

She said the first time she ran for election. Her slogan was "a voice for the people" and the only reason she is even pushing forward now is because some citizens asked her to keep going and not give up in hopes of working something out that will benefit everyone.

Councilmember Marks only comment was that change is inevitable; chance isn't always good.

Councilmember Thompson commented that people think Rio Dell was formally the town of Wildwood which isn't true. He provided some history on Rio Dell and clarified that the post office was once located on the corner of Pacific Ave. and West Painter St. and around 1956 it burned down. It was then rebuilt downtown and that is when the town was named Rio Dell.

He referred to the second statement made by Councilmember Garnes about marijuana being the only industry out there and said he presented to the Council 4 or 5 times, the idea of a bottled water operation and no one on the Council has chosen to even look at it. He noted that the springs at the end of Painter St. with a 2 inch pipe, could conservatively generate \$2 million in a period of 180 days. He said the only limitation to this plan is how much water we could collect and store. He noted the cost for the City could produce bottled water and the price Costco sells it for is unbelievable. The point he was trying to make is that there is potentially another option for the City Council to explore and has chosen to not consider it.

City Manager Knopp stated that staff is looking for clear direction from the Council on a consensus with regard to moving forward with a Commercial Cannabis Land Use Ordinance.

Councilmember Thompson suggested at the next meeting the Council has a discussion on cannabis related uses at the Eel River Sawmills site to see if they

can reach a compromise and get a clear understanding of the sawmill site and what kind of development they want to see there.

Mayor Pro Tem Johnson commented that at some point, the City Council seemed to look a little bit flaky to people at the County and even the State of California when they can't decide and keep hitting the tennis back and forth so to speak; and it seems the Council has hit a few out of bounds. He said the Council must also look flaky right now to potential investors; some who have put up several thousand or maybe even a million dollars already and are probably thinking "I've got to go before that board again" who has had a difficult time deciding and wondering where they are going to end up.

He referred to the 9 parcel numbers recommended by Councilmember Thompson as inclusion in a MI (Marijuana Industrial) Enterprise Zone and said what if one of the potential developers purchased one of the parcels not included on that list but has already invested a significant amount of money.

Mayor Wilson asked if there is a representative present from Diza-Biotech to please come to the podium.

Mayor Wilson said it is his understanding that Diza-Biotech has invested a sizable amount of money at the Eel River Sawmills Site and asked for confirmation of that and whether that parcel is included on the proposed list for a MI zone.

Steve Diziay confirmed that they did purchase property but it is included on the proposed list.

Community Development Director Caldwell clarified that Councilmember Thompson did not include any parcels on the west side of Northwestern Avenue and referred to a couple of letter from 2 other property owners who were not able to attend this meeting but are not very happy about the proposal and had asked that he read the letters into the record at the appropriate time.

Councilmember Thompson pointed out that he made a motion at the May 24th meeting to move everything over across the river at the Eel River Sawmill site but received no second on the motion.

Mayor Pro Tem Johnson stated that the point he was trying to make is that he doesn't want the Council to seem arbitrary in their decision to include one property owner in the zone and not 10 other property owners that are adjacent to that immediate area and in the same Industrial Commercial (IC) zone in. He said he does not want to see any property owner excluded.

He said at some point this evening he would like to have at least a straw vote of the Council on the ordinance as presented.

Mayor Wilson stated that he is in favor of going across the river as a start and to establish that area as a Cannabis Medical zone but he feels the Council needs to fully vet that and talk about what will be allowed and how it is going to be done to make it work. He said the basic structure of the ordinance is really good but it needs to be modified to redefine the zones and what is to be allowed in those zones as well as the number of licenses that will be allowed for each of the license types.

Community Development Director Caldwell stated for a point of clarification that he is sure everyone is aware that the area north of the river is in the flood zone and medical facilities and hospitals are not allowed in a flood zone. He said that is basically a State and Federal regulation so just wanted the Council to keep that in mind. He said research facilities are however; allowed in a flood zone.

Steve Diziay explained that Diza-Biotech does scientific research and development (R&D) and designs and manufactures machinery for the pharmaceutical industry and he and his business associates are looking at this as R & D; not a hospital.

Mayor Wilson pointed out that obviously everything the City does must comply with the law and said what is being discussed is to simply move everything over here north across the river but that all needs to be discussed because everything will be pertaining to a different footprint.

He further said to be in a huge hurry is difficult for him. He noted that he also had feedback to the opposite degree and said instead of the Council being flaky; they think the Council is rushing to get it done without working through the steps.

Mayor Wilson commented that he envisioned this as what it must have been during the Gold Rush; everybody coming to California to get rich. He said they may not be offering bags of money but they are offering suitcases of money.

He said the Council needs to slow down and do this right and sort out who the serious players are; the ones that have the best interest in Rio Dell and are able to actually make it possible and he believes it will attract other businesses as well.

Mayor Wilson said at this point they can take a straw vote of the Council or open it up to public comment.

City Attorney Gans advised the Council to receive public comment before taking any action.

Councilmember Thompson commented that what the Council is talking about is the Eel River Sawmills Site but in the existing ordinance it includes the entire annexed area. He stated for clarification that the sawmill site does not include the Natural Resources (NR) zone and the ordinance as it exists allows cultivation in the NR zone.

Mayor Wilson clarified the Council is talking about two different things. The part he was discussing included a futuristic thing which would be the Council discussing what they want to allow across the river and what areas of that area and determine what is or is not legal as far as development; if that includes the NR zone then it does but he also understood the Council to be discussing development more in the Industrial Commercial zone.

Community Development Director Caldwell explained the Industrial Commercial (IC) zone covers the industrial park and the strip between Northwestern Avenue which is the road that runs parallel with what used to be the log deck which is included. He said the NR zone north of the river is the Mozzetti property and that too is part of the annexation area. He said again, that will be discussed at a later time.

He then pointed out that the City of Arcata recently tried to spot zone like Councilmember Thompson is proposing and leave some properties out of their

Enterprise Zone and believes it ended up in litigation.

Mayor Wilson called for public comment on the proposed Cannabis Land Use Ordinance.

Larry Arsenault stated that he knows this is something new to the Council and they are trying to wrap their minds around it but it's been 6 months and truly it's becoming where it's beating a dead horse to death.

He urged the Council to think about the people who could use a few hundred dollars to pay their bills and said with the recent sales tax measure and fire assessment it's difficult. He said the small businesses down town could use ancillary businesses created by a thriving industry such as cannabis.

He added that in the beginning big grows generated big money and big money will be made but when cannabis is legalized in November for recreational use people will be able to grow it themselves so big money profits will shrink, and they're shrinking already. He said the small quality grows will be at least as desirable as huge quantity farms if not more so. He questioned how the Council can stop people from growing their own plants when the State has already more or less, deemed it legal. He asked the Council to start thinking positive and suggested that growers, for a small fee to train trimmers so when they complete the training they get a certificate; that way the growers will have trained, trusted, certified people to do the work.

He also suggested people be allowed to grow cannabis in town for a small fee; perhaps \$2.00 a plant for non-commercial grows and for commercial growers perhaps \$5.00 a plant to start with a graduated amount for larger grows. He also suggested there be fines for growers who are not in compliance.

He said fear and ignorance stops progress; reasonable thinking promotes progress. He referred to a study from the Denver Post that showed that in Denver after legalization of marijuana, there was no increase in the use of marijuana by youth.

Cindy Rose addressed the Council and commented on the statement made by Councilmember Garnes that the only industry that has come knocking on our

door is marijuana. She said the wolf knocked on the door of the three little pigs too.

She commented that Rio Dell has always been considered second best and the red headed step child to Scotia and have been called the Rio Dell river rats but she has never taken that view. She said her town is just if not more important than Scotia and takes pride in the community.

She then read a written statement (Attachment 4 to these minutes).

James Bidwell said he thinks it's pretty funny that the Council is ushering in all these big corporations when the whole goal was to keep this town the same. He said it's pretty obvious the Council is not listening to the citizens but rather furthering their own personal agendas.

He said he also wanted to thank Councilmember Garnes for helping this town and speaking the truth exactly how it really is and he thinks everybody needs to get up to that pace.

Bert Silva addressed the Council next and said he remembers the 1964 flood and there will definitely be water over there again (referring to the Eel River Sawmills site). He said if there is going to be any type of medical facility there; he hopes the Council keeps that in mind.

He said he does believe the City can learn from the negative impacts of marijuana legalization that is all around us and he also believes any type of move to bring in medical marijuana is nothing more than a move to bring in illegal marijuana.

He commented that he works in the medical field and works closely with doctors and surgeons and none of them are recommending the use of marijuana. He pointed out that it is psychoactive which is why it is considered a Schedule 1 drug.

He then provided some statistics from the Rocky Mountain High Intensity Drug Trafficking Study since the legalization of marijuana in Colorado which showed

an increase in emergency room visits, hospitalization, school expulsions, drug arrests, traffic accidents, and fatalities related to use of marijuana.

He pointed out that the possession of marijuana is still a violation of federal law so any business conducted involving marijuana will have to be done with large amount of cash and that's going to break open a whole new Pandora's Box related to security issues.

He added that he thinks the Council should put their efforts into bringing in legitimate businesses to our community and to not take the easy way out with the pot industry.

Teisha Mechetti stated that this is a very dense topic and there has been a lot of discussion. She pointed out that the funny thing about statistics is that about 87% of them are inaccurate so you can't really heavily rely on them. She said there are multiple reasons why we're looking at a Schedule 1 drug and she hopes the Council can look at the nuts and bolts of what's in front of us all.

She said the Council needs to consider the timeline in terms of making a decision on this ordinance. She said another thing to consider is the timeline of actually facilitating this project. She noted that there is a lot of development that needs to happen to make it viable for a business as we're looking at large corporate businesses to occupy spaces and they need large commercial facilities. She said the timeline for generating revenue from these businesses could be years and that's being optimistic. If the Council wants to incentivize the infrastructure improvements beyond an innovation zone the way to do that is to incentivize our local businesses and property owners who care about investing into those things. She said as someone who is interested in a legitimate business in Rio Dell, she doesn't want to invest in an empty space unless she knows that people will go there and consume from that business.

She commented that there isn't any other type of incentive for people to come here and lately people coming through her door is slim to none so maybe the Council could put things to rest and say we need this; to what degree that is to be determined. She said again, small business development is also important. It's pretty obvious the City needs revenue for schools and community development

improvements. She said the Council mentioned restricting outdoor cultivation on the Dinsmore Plateau but generally the rule of a zoning code is that you don't restrict property owner's rights so as to incentivize one property within a zone because they have features that are more suitable or they have more land accessible. If the City is going to assign a zone to allow these types of activities they have to open it up for everyone. She suggested the Council look up *The Right to Farm Act*. She noted that people in Rio Dell under the current zoning have the right to farm on properties of 1 acre or more. In addition, it is inappropriate to favor investors who invest in property before the City has an ordinance in place. Again, if the Council is going to assign a zone, open it up for all of those zones. Needless to say, the City needs money for water infrastructure which is probably more important than anything else including roads and building improvements and this money will not come from hiking water rates and she can guarantee a lot of citizens are upset about the water rates including herself.

Dennis Wendt clarified that there are actually 5 different property owners on the south side of Northwestern Avenue and he knows that David Fisch and Shannon McWhorter who also owns property are not in favor of Councilmember Thompson's proposal. He said those people bought those properties because of the zoning that was there (IC) and said this proposal is bogus. First of all, an enterprise zone is like a redevelopment zone and who's going to run it, the City of Rio Dell? He said the City doesn't have enough staff to do that. He reiterated that there are 5 property owners on that side of the freeway and none of them are in favor of this proposal. He said after the last when this got voted down, he had an escrow that was scheduled to close the next day and they cancelled it.

He said he has people who are investing hundreds of thousands of dollars there and will be generating tax dollars for the City so the City just needs to get their act together and get this thing going. He said the site is suitable for this use. He commented that he heard people say they don't want it in their backyard and he doesn't blame them; he doesn't want it in his backyard either.

He added that another point is that the area needs to be cleaned up and the money that he was going to get from the property sale that fell through was going to go toward getting rid of some of the contaminated soil. He said it literally costs hundreds of thousands of dollars to take 1 load of contaminated soil to Canada.

There was an opportunity for him to start that cleanup sooner than later and because of the City it didn't happen. He said he is not in favor of Councilmember Thompson's proposal and he will fight it.

Sarah Westbrook stated that the California legislature passed several bills last year under the Medical Marijuana Safety Regulations Act (MMSRA) and the League of California Cities recommended all cities and counties to enact bans on marijuana cultivation to ensure local control. She said Fortuna was 1 of 163 cities and counties that either banned the activity or adopted their own regulations. She said she thinks Rio Dell should ban marijuana to ensure local control of the industry.

Alonzo Bradford thanked the Council for opening up the discussion again and said he noticed that many people tonight wrote their thoughts down before speaking but for him it's more about life experiences. He said he has to travel on a bus for 14 hours to go to Los Angeles to get infusions and said he doesn't mind doing that but when he gets back to Rio Dell it hurts. He said he came here to get clean air and to get well and this industry is more than just business and money. He said he can't take pain medications and his only relief is cannabis. He commented that he wants what Mayor Wilson wants; the benefits that medical cannabis can provide.

David Fouche told a story about a little hippie town on the north coast of California and said it had seen better days and by the mid-60's the town was pretty funky. Most of the buildings on the main street of the town were boarded up. There was just nothing going on there and the town was trying to figure out what they could do to develop economic growth to bring to bring this town back to life. He said one day this little hippie artist showed up in this town and was looking for a place to maybe have an art gallery and a place to live. Well, there was this old woman who owned some of the old buildings on the main street of this town and she saw something in this guy and decided to take a chance on him so she let him have a place. Then his artistic endeavors started to blossom and word got out to other artists and they started moving into this town and all of sudden there was this little renaissance going on in this little town. He said today this little town is a very, very hot spot on the tourist map and this little town is Ferndale; and the little old lady was Viola McBride; and the funky artist was Hobart Brown.

He said he just wanted to say that there are many options for economic development and asked the Council to think about what they choose because the City Council is going to have to live with that choice for the rest of their lives and so all their children and grandchildren.

Dale Radar said it is amazing to see this issue go on for 7 months. The City Council has had a lot of good discussions but it seems they forgot about patients medical needs which are what this is really about. He added that the Council is relinquishing the opportunity to find different forms of medicine that resolves pain issues. He encouraged the Council to vote on the issue as every day that passes by is another day of wasting a life.

Ronzo, owner of Ronzo's Garden Supply stated that he was a logger for 15 years and did pretty much everything and thought he would retire in the logging industry. He said we all watched that industry pretty much disappear. He said as a kid growing up in Dinsmore, the loggers and ranchers kind of ruled the areas in the early 1980's; the growers were the minority. He said now it is a complete flip-flop. He added that he lost his job and went into the cannabis industry because it was the only way he could support his family. He was good at it and so has been doing it for a lot of years now. He said he just wanted to remind the Council that most of the people that come into his garden supply are not coming in to buy a bottle of water; they are coming in to buy supplies related to the cannabis industry which is a huge industry. He said there is no way to deny that because this is what the community is left with. He said he wishes there was something else but there really isn't. He added that just like the big elephant in the room there is an opportunity for the City of Rio Dell to generate a lot of money from this industry and to deny it is reckless and foolish.

He also reminded everyone that he has a free barbeque every Friday at 4:00 at his store and invited everyone to come on down as he would love to talk to anybody about the industry. He said he is very knowledgeable about it after growing and consuming it for 30 years and added that he is not an evil, nasty, horrible person for consuming cannabis. He commented that he has seen it help a lot of folks over the years including his family and said a lot of his family would probably be alive today if they had consumed cannabis instead of alcohol.

He said he appreciates the Council having an open mind about this and that there is a great opportunity out there for the City and he hopes they don't let it slip through their fingers.

He indicated that he also has a consulting firm and it is really difficult to get into compliance and there is a lot you have to go through and weeding out the people you really don't want in this industry. He said the people who are left in this whole compliance thing are the people you want to embrace as they are real people that want to see positive change in Humboldt County. He asked the Council to consider that and said he hopes the City comes up with a solution that works for everybody.

Tom Bertain read his statement on the issue (Attachment 5 to these minutes) which stated his opposition to the Medical Cannabis Ordinance pointing out that changing the name marijuana to cannabis merely works to soften opposition to the ordinance. Attached to his statement was an article titled *Pot-Smoking and the Schizophrenia Connection*.

David Bridge thanked the Planning Commission, City Council and staff who did a great job putting together a good ordinance. He said he attended the County Board of Supervisors meeting today and asked if they would consider allowing Rio Dell, if they could get the ordinance to them in a timely manner, to put it on the November ballot but they couldn't respond to his question at that time.

He said that he had a thought and asked himself why companies are interested in being in Rio Dell and said he believes a lot has to do with cultivators and over the last 35 or 40 years they have created incredible varieties of cannabis and targeted different aspects of the plant and really diversified plant strains. He said the reason it's happening in this area is because of those cultivators. He noted that those cultivators have been left out of this discussion and are really the backbone of this society.

He added that the Council has targeted research and development companies but asked what they are going to research without those cultivators. He said for Rio Dell to profit from this industry there needs to be both. He commented that at the Board of Supervisors meeting they said this is an area of origin for production

and encouraged the Council to look at where we are today and where we want to be.

He also commented that he had 1 correction to the minutes but would pass it along to the City Clerk.

There being no further public comment, the public comment period was closed.

Community Development Director Caldwell said as he indicated before, staff actually has some letters from 2 of the property owners who would like him to read into the record.

He said he first wanted to let the Council know that he looked at Councilmember Thompson's proposal and said it looks like he wants to restrict that strip of land between Northwestern Avenue and Highway 101 to certain businesses such as banks, medical offices, medical facilities, car dealerships, motels, restaurants and gas stations.

He said he personally believes as the City's Planner that the City should be encouraging hotels, restaurants and gas stations in the Town Center (TC). As far as car dealerships, he said he actually talked to multiple owners and general manager of local car dealerships and told them about the idea and quite frankly, they chuckled at the idea and said that it is not a good idea. He said because it is a competitive market they want to be in the hub of the community and the only dealership they could envision would be a small ma and pop car lot with maybe 8-12 cars; and that would likely happen in the Town Center, not the industrial park.

He then read letters from David Fisch, Fisch Drilling and Shannon McWhorter, Double S Investments. (Attachments 6 & 7 to these minutes).

Both property owners expressed strong opposition to Councilmember Thompson's proposal and potential legal action if the City Council chooses to proceed.

Mayor Wilson called for a 5 minute recess at this time, 9:05 p.m.

The meeting reconvened at 9:10 p.m.

City Manager referred to the City Attorney for guidance on how the Council should proceed at this point.

City Attorney Gans stated that procedurally the City Council should provide clear direction to staff if they want to further consider this Land Use Ordinance and cannabis activities in the City. He said as far as the parliamentary issue raised, he clearly has not had an opportunity to research it but the fact that there is an intervening meeting that has occurred with consensus to place this matter on the agenda for tonight clearly complies with the Brown Act. He added if the Council wants to reconsider creating a Land Use Ordinance on the other side of the river that is the Council's propagative.

He explained that the City Council gives direction, staff provided recommended actions in which the Council can modify and can give direction to staff to return with suggested modifications and ultimately the Council's obligation. He said as a threshold matter. In order to proceed the Council needs to determine if they want to further consider a Land Use Ordinance and that there is a will of the Council to do so.

Mayor Wilson said as he understands the direction, the questions he need to ask the Council is if they want to adopt a cannabis land use ordinance in some form, and return it to the Planning Commission for review and recommendation.

City Attorney Gans reiterated that there needs to be fundamental willingness amongst the Councilmembers.

Mayor Wilson then posed the question to the Council as to whether they want to have a medical cannabis ordinance in some form.

Councilmember Thompson commented that on May 24th he made a motion and no one seconded the motion; now members are changing their views and are being asked to do the very same thing. He said he is still in favor of some kind of control of land uses at the former Eel River Sawmills site.

Mayor Wilson then restated the question as before and asked for a consensus of the Council. The consensus was as follows:

- Johnson - Yes
- Thompson - Yes
- Marks - No
- Garnes - Yes
- Wilson - Yes

City Attorney Gans recommended the Council go ahead and call for a motion to reconsider the adoption of a medical cannabis ordinance focused with the zone designation north of the river and ask that the motion be made by a previous dissenter which is either Councilmember Thompson or Mayor Wilson.

Mayor Wilson asked for clarification that what the Council is saying by saying yes in essence is that they are saying yes to a new ordinance north of the river.

City Attorney Gans explained the second action tonight would be to direct staff to develop an ordinance focused on cannabis activities north of the river. He noted that it can even be returned to the Council to discuss what components they want to see in this ordinance.

Motion was made by Thompson/Johnson that a new ordinance be developed for the Eel River Sawmill site which does not include the entire annexation area.

Mayor Pro Tem Johnson said: "I guess it is understood that the ordinance will go back to the Planning Commission."

Community Development Caldwell stated that it actually doesn't have to go back to the Planning Commission as he understands it.

City Attorney Gans explained that the Council can adopt changes to the ordinance in which it does have to be referred back to the Planning Commission but they do not have to have a subsequent hearing.

Mayor Wilson said to make sure it is clear on what Councilmember Thompson said, he is proposing an ordinance north of the river that does not include the entire industrial zone as it currently exists (yellow area on the zoning map).

Councilmember Thompson clarified that it does include the entire Industrial zone; it does not include the natural resources area.

Councilmember Garnes asked for clarification if that would then somehow eliminate cultivation of any type, if everything is moved over there.

Councilmember Thompson stated that he will not support any outdoor cultivation but will support enclosed grow systems; no open field cultivation.

Community Development Director Caldwell explained that there is no outdoor open field cultivation allowed anywhere the way the ordinance is written today.

Councilmember Thompson stated that outdoor cultivation is one of the things that made him put a stop on the ordinance.

Community Development Director Caldwell asked if he is referring to open field outdoor cultivation.

Councilmember Thompson then asked Community Development Director Caldwell if he understands what cultivation means.

At this point, Mayor Wilson asked staff to define the difference between outdoor open field cultivation and greenhouse cultivation.

Community Development Director Caldwell explained that outdoor cultivation is considered open field cultivation; mixed light and greenhouse cultivation is in enclosed greenhouse structures. He said you then have indoor cultivation where structures have solid walls and where no natural light get into those indoor cultivations; all artificial light, no natural light.

Councilmember Thompson stated that putting outdoor cultivation in the ordinance is simply a smoke screen to at some point, open it back up. He said to have grow lights and internal grows in buildings, whatever type they are is not outdoor cultivation.

He referred to the definition of "outdoor" on page 6 of the ordinance which read:
"Outdoor" means outdoor cultivation using no artificial lighting."

He said he is opposed to that statement and that if you don't have it in the definitions you don't have it in the ordinance.

Councilmember Garnes pointed out that what Councilmember Thompson was concerned about is just a definition and it doesn't matter because the ordinance states that there is no outdoor cultivation allowed which can only be stated in so many ways. She said the nature of a greenhouse allows light to come into the structure and that it is still considered indoor; not outdoor cultivation. She referred to the definition of "outdoor" meaning outdoor cultivation using no artificial lighting; and "indoor" meaning indoor cultivation using exclusively artificial lighting. She commented that under Section 6 (Definitions) it simply provides definitions for the various terms within the ordinance and is not describing what the ordinance says; the ordinance clearly says there is no outdoor cultivation allowed.

Community Development Director Caldwell asked Councilmember Thompson if he would consider greenhouses in the Industrial Commercial (IC) portion of the annexed area.

Councilmember Thompson said that he doesn't consider greenhouses as outdoor cultivation so there could be greenhouses and various controlled environment inside grows. He commented that outdoor cultivation to him means rows and rows of marijuana plants outside and that is what he is opposed to. He also noted that connecting the two will probably lead to a lawsuit because if outdoor is left in there someone will say the ordinance includes outdoor cultivation.

Mayor Wilson asked for clarification of the motion and said what he understands is that what is being proposed is medical marijuana north of the river with no outdoor open field cultivation. Then, if the motion receives a second, the Council can direct staff on how to hammer out the ordinance.

Councilmember marks asked if the area proposed included the properties of Davis Fisch and Shannon McWhorter.

Community Development Director Caldwell said it would be all of the parcels within the Industrial Commercial (IC) zone including those 2 parcels; just not the Natural Resources (NR) zone.

Motion then carried 4-1; Councilmember Marks dissenting.

Mayor Wilson stated the next task as a Council is to direct staff on how they want to approach this issue as he understands.

City Attorney Gans explained that the Council has multiple options. He said the Council can give staff specific direction on what they would like to see in the ordinance in draft form and to bring it back to the Council for review. He said theoretically the Council could direct it back to the Planning Commission for further development on this aspect of the ordinance. Again, he said they can also just keep it within the Council and give staff direction on what they want to see and return the ordinance back for review.

Mayor Pro Tem Johnson stated that he would like all activities enumerated previously allowed in the ordinance; that is all the licenses that are allowed by state law to be included.

Councilmember Garnes agreed with Mayor Pro Tem Johnson and said if there is any way to include the cultivation aspect over there, she would like to also see that.

Councilmember Thompson stated that would defeat defeats his motion.

There was brief discussion on what constitutes outdoor cultivation.

Community Development Director Caldwell explained the way the ordinance is currently written, it only allows cultivation in structures and greenhouses are considered indoor. He noted that Mr. White and Mr. Diziay, for medicinal purposes are looking for sunshine and organic method of growing; not indoor with purely artificial light. He said it would be indoors with a roof that opens.

Mayor Wilson asked if those types of grows require containment of smell.

Community Development Director Caldwell commented that they would and the one good thing about the Industrial Park is there are no sensitive receptors really like on this side of the river. He said the way the performance standards are written they have to minimize odors with filters and scrubbers.

Councilmember Marks stated that he would accept processing only with no grows and no dispensaries and that the Council revisit the 215 ordinance.

Mayor Wilson stated that he doesn't want to tie the Council's hands to anything at this moment and would prefer to come back at another meeting and decide what the ordinance should look like and decide how the Council wants to include the Planning Commission in the process. He said it is important to get it right and come back as a Council and recognize the things that have been eliminated such as outdoor open field grows.

Mayor Pro Tem Johnson suggested perhaps having a special joint meeting on July 26, 2016 with the Planning Commission.

Community Development Director Caldwell pointed out that there are currently 3 vacancies on the Planning Commission including the alternate and since the appointments are not scheduled to be made until August 2rd, suggested waiting to have a joint meeting until there is a full Commission.

Mayor Wilson suggested extending it to the second meeting in August for a potential study session with the Planning Commission and the Council can also address it at the next meeting and perhaps schedule a special meeting.

City Manager Knopp repeated for clarification that the Council would come back with the Planning Commission after the vacancies are filled and determine a time for a special meeting.

Mayor Wilson said he would like staff to organize a study session on the proposed revised ordinance north of the river and decide how to proceed, and tentatively bring it back at the August 16th meeting then decide on a date for a study session with the full Planning Commission.

Council concurred.

Motion was made by Councilmember Garnes to consider a proposed resolution to place an advisory measure on the November ballot asking the question if medical cannabis activities should be allowed in the City of Rio Dell and asked for a special meeting on July 26, 2016 for the Council to approve the language. She noted that the measure would not be binding but would finally provide an answer to the million dollar question.

City Attorney Gans reviewed the legal process and said a subsequent meeting would be required to adopt a resolution specifying the question and in addition, staff would need to make an assessment to see if there is enough time to get it to the Board of Supervisors for approval to place on the November ballot.

He said an advisory vote is basically a submission of a question to the electorate and it is not binding to the Council so if the electorate were to pass it by a majority vote, the Council would not be bound to that decision. He said it is purely a method established by California law whereby it allows a public body to get direction by the electorate in terms of what they want to see with regard to an issue that could have substantial effect on the community.

City Manager Knopp stated that procedurally the Council would have to approve a resolution and related language for the ballot at the special meeting on July 26th so staff could get it to the Board of Supervisors in a timely manner.

Councilmember Thompson stated that when suggested this be presented to the electorate; Councilmember Garnes was adamantly opposed to it because she said it was their responsibility as Councilmembers to represent the citizens and asked what has changed since then.

Councilmember Garnes said what has changed is that the Council has sat here for months going back and forth and just can't make a decision. She said before she did not want the ordinance to go before the electorate and that is not what she is suggesting now but to merely ask the question as to whether citizens even want an ordinance to allow cannabis activities in the City. She said if she

misunderstood Councilmember Thompson, she apologizes but at this point it doesn't really matter because it's now become so convoluted and going in so many directions she is just trying to make this work. She is just saying to put the question out to the voters and if there is a resounding no then the Council won't need to waste any more time on this issue.

The motion was then seconded by Mayor Pro Tem Johnson. Motion carried 4-1; Councilmember Marks dissenting.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Johnson commented that most people here probably noticed the streets are cleaner and said the County came down with their street sweeper and did a good job. He commended staff for facilitating it.

ADJOURNMENT

Motion was made by Wilson/Johnson to adjourn the meeting at 9:45 p.m. to the Special meeting on July 26, 2016. Motion carried 5-0.

Frank Wilson, Mayor

Attest:

Karen Dunham, City Clerk

Council members and Mr. Knopp;

July 19, 2016

In regards to the city receiving Measure Z funding, I have a few questions about the application submitted to the county. Question 4 of the application on page 43 asks how the city is developing a plan for “sustainability... and diversification of funding sources” so the city will not have to rely on Measure Z funding in the future. The answer submitted on the application says, and I quote: **“The City of Rio Dell is looking to expand and diversify its tax base over the next five years. Central to this objective is the City’s work to restructure its code enforcement program that is making major headway in cleaning up the town and addressing long-standing blight that is an obstacle to development. Work is underway to develop and emphasize economic development activities including micro-enterprise assistance and infrastructure related activities that enhance development potential that benefit both the City and the region as a whole. Economic development within the City is a crucial part of working towards sustainability, and public safety is the cornerstone to that development.”**

ATTACHMENT 1

First, I would like to say thank you for all the time and effort community members, city employees, and council members have put into bringing legitimate business to our town and working to make our streets look better and for ensuring there is a police presence in our community. However, I would like to understand better exactly what is being developed to make sure we are not dependent on Measure Z funding in the future. I would also like to make sure we have the necessary funds to continue providing the services currently sustained by Measure Z.

It is stated that micro-enterprise, infrastructure, and other economic development is crucial in working towards sustainability. I would like to know what those micro-enterprises are? How is our infrastructure going to fund a part-time clerical support position for the police department? What other economic development is being considered? I certainly hope we are not hinging financial solvency for Rio Dell on the future dream money from the sale of marijuana and the taxation of commercial medical marijuana grows. What if the citizens of Rio Dell choose not to support anything even remotely related to sale of drugs - legal or otherwise?

I am curious to know what other options are being looked at to bring economic development to our city besides inviting Mary Jane to set up shop on every street corner. Let me make it clear, I have no objection to Mayor Wilson signing the Measure Z paperwork. I think it is essential for our city to have this funding at this time. I just want to know what we plan on doing in the next four years so that we don't desperately need this money when Measure Z monies run out.

Cindi Rose

The Goal for the City of Rio Dell

1. The topic of Medical Marijuana / Cannabis is HIGHLY CHARGED issue
2. It is an issue that you are either for or against and in most cases passionate about your stand.
 - a. You may have seen people that have received wonderful results from the medical use of it.
 - b. There are those that have seen terrible results of drug abuse and believe that marijuana is a Gateway drug leading to further abuse.
 - c. AND EVERYTHING IN BETWEEN
3. As we have seen from the meetings over the last 7 months and particularly the last 3 that both extremes exist in the City of Rio Dell.
4. The council is also deeply divided on this issue
5. When I first came on the council it was quite different. Many times the only people in attendance were the Council / Staff & Rich Newman.
 - a. Unless it was a topic like Sewer or Water
 - b. Now we regularly have relatively good attendance
 - c. The City need this participation to operate effectively
6. An IMPORTANT point to emphasize is that all of the members of the Council care deeply about their city.
 - a. They serve as elected officials and receive no compensation for that service.
 - b. Even though there are very different opinions on the Medical Cannabis issue they all have the best intentions for the city.
 - c. They just have different ways to go about improving it.
7. I believe that same can be said for the members of the Planning Commission.
 - a. The Planning Commission is a vitally important part of City government.
 - b. A city cannot adequately (if even legally) function without a Planning Commission.
 - c. In the case of Rio Dell we have a difficult time keeping a full commission or even a quorum.
 - d. So much so that we added an alternate commissioner to maintain a quorum

- e. TWO the members of the commission are former council members who joined the commission because we could not fill the vacant seats.
- f. Both of those commissioners have served for years on the city council.
 - i. Julie Woodall
 - ii. Served many years as a Councilmember and Mayor
 - iii. Melissa Marks
 - iv. Served several terms as well
- g. Both probably longer than the four us excluding Mr. Thompson have served combined.
- h. They have both did this along with the other members of the commission because of their love and concern for their City.
- 8. We also have an incredible City Staff that is committed to not just a job but a career that has the reward of affecting the community in which that they work and live.
- 9. As we continue through this Medical Cannabis Land Use Ordinance issue we need to keep not just in the back but in forefront of our minds that as Citizens, Staff, Commissioners, and Council we are in this together.
 - a. When we get through this
 - b. AND WE WILL GET THROUGH THIS
 - c. We will to continue to live in one the most beautiful and unique cites in the country.
 - d. WE will want to be able to continue to be a community that lives and works together for the common good of Rio Dell and Humboldt County.

Respectfully,

Frank Wilson

Mayor

Jack Thompson Proposal for Marijuana Land Use Ordinance

Conditions that must be met in order to proceed with drafting an Ordinance:

1. Developers must place \$50,000 bond for 10-years to indemnify the City of Rio Dell
2. \$25,000 construction deposit, returned to the developer after 5-years with interest.
3. 10 —year investment covenant with developer. Profits to be invested in IC zoned strip by freeway for banks, medical office buildings, medical facilities, car dealerships, hotels, restaurants and gas stations.
4. Dedicated funds to help schools with drug addicted families.
5. 10-year moratorium on the zoning of additional agricultural land for marijuana growing.

MI Zone – Marijuana Industrial Enterprise Zone

Maximum extent:

20517113

20517115

20517117

20517118

20511129

20511144

20511145

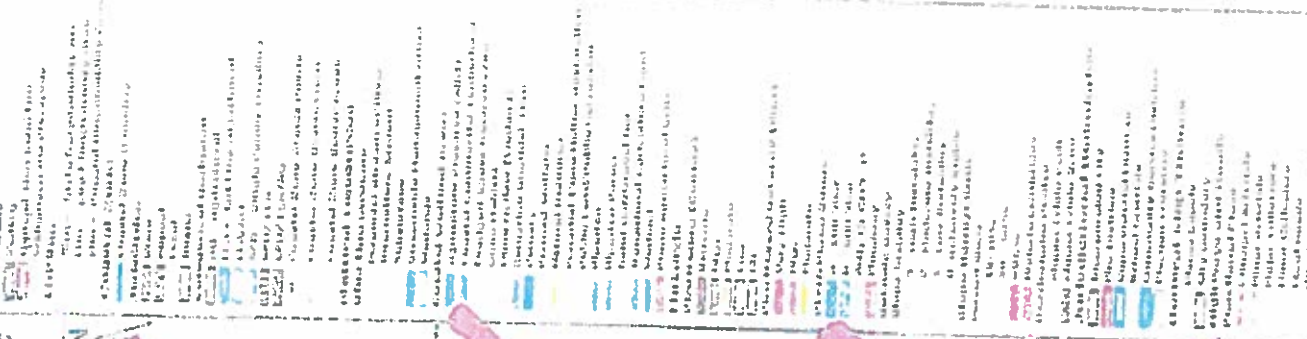
20511150

20511151

ATTACHMENT 3

20510111

Waiver Disclaimer: While every effort has been made to assure the accuracy of this information, it should be understood that it does not have the force and effect of law, rule, or regulation. Should any differences or error occur, the law will take precedence. Humboldt County assumes no liability or responsibility in the use, or reliance, of this data.



DEFINITION of 'Enterprise Zone'

A specific geographical area that has been designated by a governmental authority (usually federal). Businesses within the enterprise zone are entitled to receive various types of financial aid. These include tax benefits, special financing and other incentives designed to encourage businesses to establish and maintain a presence within the specified zone.

What is a 'Business'

A business is an organization or enterprising entity engaged in commercial, industrial or professional activities. A business can be a for-profit entity, such as a publicly-traded corporation, or a non-profit organization engaged in business activities, such as an agricultural cooperative.

2. Any commercial, industrial or professional activity undertaken by an individual or a group.
3. A reference to a specific area or type of economic activity.

BREAKING DOWN 'Enterprise Zone'

Enterprise zones are often established in low-income areas or places that are recovering from disaster, such as a flood or hurricane. Business are encouraged, through cost savings, to open their doors and hire local residents within these areas in order to stimulate economic growth.

Enterprise Zones (EZs)

Enterprise zones (EZs) are geographic areas in which companies can qualify for a variety of subsidies. The original intent of most EZ programs was to encourage businesses to stay, locate, or expand in depressed areas and thereby help to revitalize them. EZ subsidies often include a variety of corporate income tax credits, property tax abatements, and other tax exemptions and incentives to encourage businesses to locate in low-income areas of a city or county. Zones range in size from hundreds to several thousand acres.

Most states and the federal government have their own versions of enterprise zones. State zone programs are usually called "enterprise zones," or "empowerment zones," but some states have their own names such as New York's "Empire Zones" or Michigan's "Renaissance Zones." States began enacting enterprise zones in the U.S. in the early 1980s.

The federal Empowerment Zones, Enterprise Communities, and Renewal Communities (EZ EC RC) program, enacted in 1994, is similar to state enterprise zones in terms of the kinds of subsidies it provides to companies. However, the federal program varies in two important ways: it includes substantial amounts of training funds and other monies for social services to help targeted workers with family needs outside the workplace; and it requires community

participation. These additions are intended to improve zone results by increasing the chances that zone workers will keep their jobs and by getting more community institutions involved.

How state EZs work

State law sets out the criteria an area must meet to be designated an enterprise zone. Each state's EZ program is slightly different. In order to qualify as an enterprise zone, an area typically has to meet a state's definition of distress or blight, usually defined as having a relatively high rate of unemployment and/or job loss. Other common criteria include low income or education levels, population decline, high vacancy rate of buildings, or high proportion of old housing stock.

Legislatures frequently specify the maximum number of zones for the state and may limit the number that can be created each year. Many states have designated whole counties or cities as zones. Three states – Arkansas, Kansas and South Carolina – have even extended zone benefits to businesses throughout the state, in effect making the entire state into an enterprise zone.

Many states require companies to meet performance standards to qualify for zone incentives. In addition to being located within the zone's boundaries, a company may be required to create new jobs or make a substantial capital investment within a zone. Some states mandate that to collect credits, a certain percentage of the company's new hires must be zone residents and/or be paid above a certain wage. Some encourage companies to hire "disadvantaged" workers and provide tax credits in return.

Enterprise zones offer businesses a bundle of state and local incentives. EZ subsidies are entitlement subsidies – that is, any company that meets the qualifying criteria is eligible to collect them. Common subsidies for which an EZ company may qualify include:

- Property tax abatements
- Investment tax credits (against corporate income tax)
- Job creation tax credits (against corporate income tax)
- Inventory tax exemption
- Sales, franchise, and use tax exemptions or reductions
- Lower utility rates
- Financial assistance through low interest loans and/or bond financing
- Training grants

State EZs are administered and monitored by a local zone association or central zone-coordinating agency that may help select the designated zones, produce periodic reports, and supervise the financing of the program. Each zone also has local governance. In some states, local zone administrators are given discretion over the choice of benefits offered, while in others only state-level incentives may be provided.

Council Members,

Thank you for allowing me to speak again. I am actually saddened that we are again, discussing the issue of bringing commercial marijuana grows to our community. I was relieved after the medical marijuana ordinance failed to pass and I certainly do not think Mayor Wilson and council members Mr. Thompson and Mr. Marks are sad and pathetic for doing the courageous thing and voting against this ordinance. Likewise, I do not believe council members Ms. Garner and Mr. Johnson are sad and pathetic either. I believe all five of you care about your city and want what is best for the community you live in.

However, since we are here discussing this issue once again, I implore you to draft a whole new ordinance. I am even begging you to restrict anything to do with medical marijuana to the former Eel River Sawmill site and to include wording that would forbid anything, including marijuana dispensaries, on property in the city itself or on the Dinsmore property within the city's jurisdiction. As the ordinance is currently written it does not make economic sense. It would bring an unsavory element to our downtown area and likely cause some current residents to leave our town.

I also urge you to make track and trace a requirement in this ordinance. Do everything in your power to restrict the ordinance to research and medical use only. Until the federal government makes medical marijuana legal, we need to err on the side of caution. We do not need to blaze a trail concerning marijuana legislation. There is no need to rush into bringing this kind of business to Rio Dell. We have so much more to offer!

The glory days I remember from my childhood in which Rio Dell boasted 3 or 4 gas stations, 3 grocery stores, beauty salons, restaurants, a variety store, a couple of motels, and yes, even more than one bar are gone. They began to fade when Rio Dell was bypassed by the highway. They grew dimmer when Palco was taken over by Maxam. They faded completely with

bankruptcy of Palco due to poor management and environmentalists. Nothing is going to bring those days back.

However, lest you think I am a pessimist, let me assure you I believe Rio Dell does have a bright future. If we are wise and make good decisions for its future, our city can be a gem among the jewels that make up Humboldt County. We have the ability to grow our arts district. We have the opportunity to draw cottage industries that focus on the natural beauty of our area. We have the responsibility of creating a community in which children grow up with the belief that they can become anything they choose.

I have been accused by some in the community as being fearful of change and narrow-minded. I have been accused of belonging to "that religious group." If those who make these accusations mean that I am a Christian and stand for what I believe in, then yes, I guess I can be defined in those ways. I prefer to quote the words of a popular Christian song by Josh Wilson called "I Refuse."

Cause I don't want to live like I don't care
I don't want to say another empty prayer
Oh I refuse to
Sit around and wait for someone else
To do what God has called me to do myself
Oh I could choose
Not to move
But I refuse

You see, I, Cindi Rose, refuse to let my city go to hell in a handbasket and just sit by and watch. I intend to do everything in my power to make this a community that is safe for everyone and that thrives without the assistance of something that the nation, the state, let alone our city, can figure out how to legislate.

I entreat you to proceed with caution concerning medical marijuana. If you feel you have no other option, then please, draft a new ordinance which will include the issues I raised here. Make sure it is based on research and helping those who most need it for medical reasons. Do not allow dispensaries and related businesses to take over a downtown area that is just now starting to look better than it has in a long time.

Thank you,
Cindi Rose

July 19, 2016

My name is Tom Bertain and I live at 75 Fern Street.

I am opposed to the Medical Cannabis Ordinance. The subject is still marijuana and the name change merely works to softens opposition to the ordinance.

Nowhere in the ordinance does it address social, cultural or heritage issues. Nowhere in the ordinance does it address law enforcement issues.

The council must labor over this ordinance with wisdom and knowledge and skill. There is no need to accelerate a decision without further understanding of all the consequences.

Why was Rio Dell chosen for this issue instead of Trinidad, Blue Lake, Ferndale or Eureka? Something going on?

The Golden Goose of tax revenue is deceptive and is used as a propaganda method to seek support. No definitive amounts can be given or substantiated by staff or proponents. This explanation is like a visit to Las Vegas.

Where does the profit go?

In the July 2, 2016 issue of the Wall Street Journal, a Doctor Samuel T. Wilkinson, M.D., Department of Psychiatry, Yale School of Medicine writes "There is a significant and consistent relationship between marijuana use and the development of schizophrenia and related disorders." The July 8th issues has letters of rebuttal and letters of agreement. A copy is attached and there is a copy for each of you.

Granted, there are opposing sides to the medical benefits, but will the Council and staff accept any responsibility for ill effects and will the proponents do the same?

These periods of public comments give an indication of feelings in our town and I hope they are understood and not misjudged.

Pot-Smoking And the Schizophrenia Connection

By Samuel T. Wilkinson

Recent legislation has permitted the recreational use of marijuana in Colorado and Washington state. Those who support legalization often tout the lack of serious medical consequences associated with the drug. Most of us know people who used marijuana in high school or college and seem to have suffered no significant medical consequences. As the medical and scientific literature continues to accumulate, however, it is becoming clearer that the claim that marijuana is medically harmless is false.

There is a significant and consistent relationship between marijuana use and the development of schizophrenia and related disorders. Schizophrenia is considered by psychiatrists to be the most devastating of mental illnesses. Patients who suffer from it often experience auditory or visual hallucinations, severe social withdrawal and cognitive impairment. Many require frequent and prolonged hospitalization in psychiatric wards.

Medical research shows a clear link between marijuana use and mental illness.

Schizophrenia affects almost three million Americans—more than six times the number of people with multiple sclerosis, two and a half times the number of people with Parkinson's disease, and more than twice the number of people with HIV/AIDS. Less than one-third of patients with schizophrenia can hold a steady job or live independently. A large portion (about one-third) of homeless people in the U.S. suffer from the disease.

Though they receive little attention in the legalization debate, the scientific studies showing an association between marijuana use and schizophrenia and other disorders are alarming. A 2004 article in the highly respected *British Journal of Psychiatry* reviewed four large studies, all of which showed a significant and consistent association between consumption of marijuana (mostly during teenage years or early 20s) and the later development of schizophrenia. The review concluded that marijuana is a "causal component," among others, in the development of schizophrenia and other psychotic disorders.

THE WALL STREET JOURNAL.

A 2007 study in the *Lancet*, a British medical journal, concludes that using marijuana increases the risk of young people developing a psychotic illness, such as schizophrenia. This risk is greatest—up to a 200% increase—among those who use marijuana heavily and who start using at a younger age.

Those not familiar with epidemiological causation may wonder how cannabis could "cause" schizophrenia if so many people who smoke marijuana or hashish don't develop the disease. As an example, medical researchers have known for several decades that smoking causes lung cancer, yet over 80% of smokers do not develop lung cancer.

As research accumulates, the emerging picture is that marijuana precipitates schizophrenia or related psychotic disorders in people whose brains are inherently vulnerable to psychosis. All of us who do not regularly experience hallucinations or delusions reside on what may be called a "cliff of sanity." Some of us, for reasons still unclear (thought possibly to be genetic), are closer to the edge of the cliff than others.

Marijuana may push everyone a few feet closer to that cliff. For those who were already close to the cliff, the drug pushes them over the edge into the chasm of insanity, hence precipitating the development of schizophrenia.

The association between schizophrenia and marijuana is not the only issue at play in the debate over marijuana legalization. If legalization is certain to decrease the power of drug lords in Mexico and other countries, then this is certainly a favorable outcome. However, if the trade-off is that more people suffer from schizophrenia—and thus more Americans are homeless and debilitated—then this must be recognized and discussed by the general public. This association between marijuana and serious and devastating psychotic disorders has been absent or under-recognized in the public debate.

Despite (or perhaps because of) the unwarranted stigma that surrounds their illness, individuals with schizophrenia are vulnerable and in need of advocacy. We owe it to them, and to society in general, to consider all the facts, risks and potential benefits before we embark on this drastic social experiment. If the end of Prohibition offers any historical precedent, once marijuana is legalized it will be all but impossible to undo.

Dr. Wilkinson is a resident physician in the Department of Psychiatry at The Yale School of Medicine. His opinions do not necessarily reflect those of The Yale School of Medicine or its Department of Psychiatry.

Tuesday, July 2, 2013 | A13

A16 | Monday, July 8, 2013

LETTERS TO THE EDITOR

A Link Between Marijuana, Schizophrenia Is Tenuous

Samuel T. Wilkinson's attempt to tie marijuana to mental illness ("Pot-Smoking and the Schizophrenia Connection," op-ed, July 2) is reefer madness all over again.

The evidence indicating a causal relationship between marijuana consumption and mental disorders is "neither very new, nor by normal criteria, very compelling," according to research published in the journal *Addiction* in 2010. More tellingly, a 2009 study published in the journal *Schizophrenic Research* found that the prevalence of schizophrenia and psychoses has remained stable or declined during periods in which marijuana use increased significantly among the general populace.

Mr. Wilkinson's call for an honest debate about the health effects of marijuana is commendable. Yet such a dialogue is incomplete without an examination of its relative harms compared with others commonly used and accepted in our society, particularly alcohol.

Every objective study on marijuana has concluded that it is less toxic, it is less addictive and poses fewer and far less severe health problems than alcohol. Whereas there is no compelling evidence that marijuana use causes schizophrenia or psychosis, absolutely no doubt remains among members of the scientific community that alcohol use is a major contributor to mental illness. Also, unlike alcohol, marijuana use has never been linked to violent crimes and reckless behavior.

As long as alcohol is legal, anyone who is truly concerned about maintaining public health and preventing mental illness should support

making marijuana a legal alternative for adults.

MASON TVERT
Marijuana Policy Project
Denver

Dr. Wilkinson suggests that the link between early pot smoking and schizophrenia should be recognized in the overall consideration regarding the legalization of pot. I agree. This link represents a good reason to proceed with the legalization process rather than to derail it.

Legalization would involve carefully controlled outlets that would not sell pot to minors, as opposed to the current situation where illegal dealers will sell pot to anyone, including schoolchildren. The net effect would be less exposure to the drug by our young people at a time when they are most vulnerable.

GEORGE W. ILIFF
Port St. Lucie, Fla.

Marijuana is a drug that is extremely harmful to the human brain. Studies have shown that teens using marijuana before age 18 are two to four times more likely to develop psychosis as young adults compared with those who do not use marijuana. The teen brain is much more vulnerable to addiction. One in six children who try marijuana before age 18 will either abuse it or become addicted to it, compared with one in 25 adults. Research shows that THC, the key chemical in marijuana, if used during adolescence can change the way the brain develops. Specifically, the hippocampus is affected by marijuana, which is critical for learning and memory.

Because nerve cells in the human brain don't finish developing until people reach

their mid-20s it is pivotal to protect developing brains from the harmful effects of marijuana at a time when teens are incapable of making decisions that weigh pleasure, risk and consequence.

CARLOS ALBERTO HERNANDEZ
San Antonio, Texas

Dr. Wilkinson makes an extremely tenuous link between pot smoking and schizophrenia. Statistics cannot prove a causal relationship (100% of individuals who ate tomatoes in the 1860s have died). Schizophrenia is a disease that frequently presents in the late teens or early 20s, an age of drug experimentation, and it is quite possible that pot use unmasks the disease. But to say that otherwise functioning people are pushed over the cliff is unwarranted.

JACK HUTTON, M.D.
Port Townsend, Wash.

Dr. Wilkinson gives readers the false impression that there is something unique about marijuana that somehow justifies marijuana prohibition. Yes, marijuana poses a risk to persons with a predisposition toward schizophrenia. So does alcohol, cocaine, amphetamines, etc. There is a strong correlation between schizophrenia and substance abuse. Addiction to nicotine (tobacco) is three times higher among schizophrenics than the general population. Correlation does not equal causation however, and schizophrenia rates have remained steady for decades, despite fluctuating drug use trends.

ROBERT SHARPE
Policy Analyst
Common Sense
for Drug Policy
Washington

July 19, 2016

Greetings

To the City of Rio Dell it has come to my attention that certain council members want to propose limited use of the property in the annexed area north of Rio Dell, Northwestern Ave, this being limited to car dealerships, restaurants or hotels in a floodplain. I understand the inherent nature of intellectually lazy and short sided individuals to say no to any growth or to keep status quo. This means that I can no longer move my business there to operate, a legitimate TAX paying business that provides an essential service to all of Humboldt County. I would look upon this as targeted persecution by the City Council, me and others like me that purchased our parcels to move our businesses to a more visible location would need to take remedial action and it would cost the City of Rio Dell additional dollars it doesn't have to defend this.

I will make this very clear I will make sure that every citizen and property owner of Rio Dell knows what this move will cost them and illuminate the responsible individuals. Please present this to the City Council.

David Fisch



Office: 707-768-9800

Cell : 707-601-3041

ATTACHMENT 6

Double S Investments, LLC

Shannon McWhorter

2750 Hillside Dr.

Fortuna, CA 95540

Dear Council member:

I have just learned TODAY, that there is a pending vote TONIGHT on changing the zoning on my property located on Northwestern Avenue. I am writing this letter to oppose any rezoning of my property on the west side of Northwestern Ave. You have a legal obligation to give property owners written notice, yet I have never received a notice or any other communication. Is this how the City of Rio Dell operates? How would you feel if you owned the property? I feel betrayed and you would too!

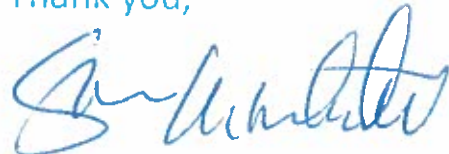
Trying to limit my property to hotel and car dealerships is going to make the property worthless and unusable. Do you understand this area is in the flood plain! Who in their right mind would put a hotel or car dealership in a flood plain? You? Maybe you missed it, but Fortuna has lost both of its new car dealerships. What are the chances of one opening in Rio Dell? ZERO!

I've invested a significant amount of money in the City of Rio Dell when I purchased this property. I am in negotiations right now on renting out this property to a legitimate business and it is not a hotel or car dealership. This will kill that deal and any other potential use.

I'm putting you on notice that this will end up in court if you go through with this tonight. This is not only illegal, it's also just plain wrong.

If I was able to be at the meeting tonight, I would be, but having only heard about it 1 hour ago, I am unable to be in attendance.

Thank you,

A handwritten signature in blue ink, appearing to read "Shannon McWhorter", written in a cursive style.

Shannon McWhorter

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: knoppk@cityofriodell.ca.gov



**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
August 2, 2016**

TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager *[Signature]*

FROM: Brooke Woodcox, Finance Director *[Signature]*

DATE: August 2, 2016

SUBJECT: Transportation Development Act Claim Submission

RECOMMENDATION

Authorize the Finance Director to sign and submit the City's Annual Transportation Development Act (TDA) Claim

BUDGETARY IMPACT

Receipt of the City's 2016/17 Annual Transportation Development Act allocation in the amount of \$111,856.

BACKGROUND AND DISCUSSION

Each year the City submits a request for approval of its annual transportation claim to HCOAG. Fiscal year 2016/17 projected allocation is \$111,856 in comparison to last year's TDA claim of \$108,945. This is an increase of 3%. Proposed projects outlined in the City's 2016/17 financial plan includes \$41,865 to be provided to HTA/RTS for the City's share of cost, \$6,500 to be provided to the Humboldt Senior Resource Center for senior transportation, and \$63,491 for ongoing street repair, maintenance, and construction within the City.

APPENDIX C. ANNUAL CLAIM FORMS

CHECKLIST FOR ANNUAL LTF & STAF CLAIMS

By April 1 of each year, or at such time as preliminary budgeting information is available, the claimant shall file an annual claim with HCAOG.

■ **Non-Transit Claims:** Claimants shall submit items (a) through (d), inclusive, as part of the claim.

■ **Transit Claims:** An operator or transit service claimant shall submit items (a) thru (h), inclusive, to file a claim.

ALL claims must include items (a) through (d), inclusive.

HCAOG forms for parts (a), (b), and (c) are provided in this Excel file and on-line at www.hcaog.net.
Claimants are responsible for making sure they submit the most current forms.

- ☒ a) HCAOG "Claim Request" form. *[Included in following sheet]*
- ☒ b) HCAOG "Annual Project and Financial Plan" form. *[Included in following sheet]*
- ☒ c) HCAOG "Statement of Conformance" form. *[Included in following sheet]*
- ☐ d) Claimants who want to designate funds for a future, specific capital project must request it as part of a claim. The claim must indicate any reserved monies in the subsequent annual claim(s). Before expending these funds for any other purpose, the claimant must identify its proposed changes in an amended claim or subsequent annual claim. [CCR §6648]

Only transit claims must include items (e), (f), (g), and (h):

- ☐ e) To receive an allocation of funds for service outside the claimant's area, a claimant must provide, or have on file with HCAOG, an executed contract pursuant to PUC sections:
 §99231(f) -- Apportionment: Where a county or city provides public transportation services beyond its boundaries;
 §99260.2 -- Claims for peak-hour service;
 §99260.7 -- Claims for separate service to elderly and handicapped persons by JPA members;
 §99277 -- Service contracts;
 §99288 -- Extended service by contract or authorization;
 §99400(c) -- Claims Purposes: payment to entities under contract; or
 §99400.5 -- Multi-modal transportation terminals.
- ☐ f) If applicable, a statement identifying and substantiating the reason or need for: (1) increasing the operating budget in excess of 15% above the preceding year; (2) a substantial increase or decrease in scope of operations; or (3) capital provisions for major new fixed facilities.
- ☒ g) A certification by CHP verifying that the operator is in compliance with §1808.1 of the Vehicle Code, as required in PUC §99251. The certification shall have been completed within the last 13 months, prior to filing claims.
- ☐ h) A financial statement of actual and projected revenues and expenditures for the prior fiscal

For full information on claim requirements, see HCAOG's TDA Rules (part IV, "TDA REQUIRED REPORTS" Report #16).

CLAIM REQUEST

Check one:

☐ State Transit Assistance (STA) Fund

☒ Local Transportation Fund (LTF)

Claimant: City of Rio Dell

Address: 675 Wildwood Avenue, Rio Dell, CA 95562

Contact Person: Brooke Woodcox

Title: Finance Director

Phone: (707) 764-3532

E-mail: woodcoxb@cityofriodell.ca.gov

The City of Rio Dell hereby requests, in accordance with the Transportation Development Act of 1971, Chapter 1400, and applicable rules and regulations, that its annual transportation claim be approved in the amount of \$ 111,856 for fiscal year 2016/17. These monies are to be drawn from the local transportation fund of the County of Humboldt for the purposes and amounts shown in the attached "Annual Project and Financial Plan."

When approved, please transmit this claim to the County Auditor of the County of Humboldt for payment. Approval of the claim and payment by the County Auditor to this applicant is subject to such monies being on hand and available for distribution, and to the provisions that such monies will be used only in accordance with the terms of the approved annual financial plan.

Authorized representative of claimant:

By: Brooke Woodcox
(print name)

Title: Finance Director

Signature: _____ Submittal date: _____

APPROVED:

By: _____ Date: _____
Marcella Clem
Executive Director, Humboldt County Association of Governments

ANNUAL PROJECT AND FINANCIAL PLAN

Give each project a title and number in sequence, and briefly describe the transportation projects that your jurisdiction proposes. Indicate proposed expenditures for the ensuing fiscal year for all that apply:

- (i) public transportation operating and capital expenditures;
- (ii) construction of facilities for the exclusive use by pedestrians and bicyclists;
- (iii) construction of local streets and roads; and/or
- (iii) right-of-way acquisition.

Claimant: City of Rio Dell

Fiscal Year: 2016/17

PROJECT (Project number, title, & brief description)	TDA - LTF \$ amount	PUC Article & Section	TDA - STA \$ amount	CCR Section	Local Fund Balance	Other	TOTAL
06-01 HTA/RTS Share of Cost	\$ 41,865	4-99260(a.)	\$ -		\$ -		\$ 41,865
06-02 HSRC Share of Cost	\$ 6,500	8-99400(c.)	\$ -		\$ -		\$ 6,500
06-03 Street Repair, Const. Maint.	\$ 63,491	8-99400(a.)	\$ -		\$ -		\$ 63,491
	\$ -	-	\$ -		\$ -		\$ -
	\$ -	-	\$ -		\$ -		\$ -
	\$ -	-	\$ -		\$ -		\$ -
	\$ -	-	\$ -		\$ -		\$ -
	\$ -	-	\$ -		\$ -		\$ -
	\$ -	-	\$ -		\$ -		\$ -
	\$ -	-	\$ -		\$ -		\$ -
TOTAL	\$ 111,856		\$ -		\$ -	-	\$ 111,856



HCAOG

*Regional Transportation
Planning Agency*

611 I Street, Suite B
Eureka, CA 95501
707.444.8208
Fax: 707.444.8319
www.hcaog.net

March 1, 2016

City Managers, Humboldt County CAO, Finance Officers, and
Transit Operators:

The County Auditor's estimate for the 2016-17 fiscal year of Local Transportation Funds (LTF) is \$4,689,540, which is \$16,685 less than last year's estimate. After subtracting the Auditor's (\$4,000), and HCAOG's allocations for the TDA administration and planning (\$270,000), the 2% bicycle and pedestrian set aside is \$88,311. The apportionment of the remaining funds is based on city and county population estimates published annually by the Department of Finance.

At their February 18, 2016 meeting, the HCAOG Board adopted Resolution 16-01, approving the TDA LTF FY 2016-17 findings of apportionment and allocations. The 2% set aside will be reserved in the County Auditor's office for future reimbursements to the Cities and County for bicycle and pedestrian facility purposes per Section 99233.3 and 99234. Each jurisdiction's estimate is provided in the enclosed resolution.

A copy of HCAOG's TDA Rules, which include the claim forms and documentation required to process the allocations, are located on HCAOG's website: <http://hcaog.net/library>. Please do not hesitate to contact me or Debbie Egger 444-8208 with any questions.

Sincerely,

Marcella Clem,
Executive Director

cc: Humboldt County Auditor-Controller

Enclosure: Resolution 16-01



Resolution 16-01

**RESOLUTION OF THE HUMBOLDT COUNTY ASSOCIATION OF
GOVERNMENTS APPROVING THE TRANSPORTATION DEVELOPMENT ACT
(TDA) LOCAL TRANSPORTATION FUND (LTF) FISCAL YEAR 2016-2017
FINDINGS OF APPORTIONMENT AND ALLOCATION**

WHEREAS, the Humboldt County Association of Governments is the Regional Transportation Planning Agency for Humboldt County, and is responsible for the administration of the Transportation Development Act of 1971, as amended thereafter; and

WHEREAS, the Humboldt County Association of Governments has established rules and regulations, consistent with existing law, whereby there shall be a set-aside for pedestrian and bicycle allocations equivalent to 2% of the money remaining in the fund after allocations to higher purposes; and

WHEREAS, the Humboldt County Association of Governments did not make a finding for better use; and

WHEREAS, the County of Humboldt, and the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad are each required to file annual transportation claims for the funds which remain after necessary expenditures for administration, planning and the 2% set aside for pedestrian and bicycle uses from the Local Transportation Fund of Humboldt County, in accordance with their populations, apportioned to them by the Humboldt County Association of Governments, pursuant to the Act; and

WHEREAS, it is the responsibility of the Humboldt County Association of Governments, under the provisions of the Act, to review the annual transportation claims and to make allocations of monies from the Local Transportation Fund; and

WHEREAS, the Auditor of Humboldt County is instructed to pay monies in the fund to the claimants pursuant to allocation instructions received from the Humboldt County Association of Governments; and

WHEREAS, the County Auditor issued an estimate of revenues in the amount of \$4,689,540 for Local Transportation Funds (LTF) for FY 2016-2017.

NOW, THEREFORE, BE IT RESOLVED that the Humboldt County Association of Governments shall make the following allocations based on population estimates determined by the California Department of Finance:

1. To the Humboldt County Association of Governments for TDA administration and for planning and programming in the amount of \$270,000, per Section 99233.1 and 99233.2.

2. To the Humboldt County Auditor Controller for TDA Administration in the amount of \$4,000, per Section 99243.
3. To be reserved by the Humboldt County Auditor's Office for future reimbursements to the Cities and County for pedestrian and bicycle facilities purposes for local agencies as programmed and claimed in the amount equal to 2% of remaining incoming funds estimated to be \$88,311 per Sections 99233.3 and 99234.
4. To the Cities and County in the amounts listed below, upon review of claims filed:

				FY 2014-15	
	Population	% of Total Population	FY 2016-17 Estimates	Year End Balance	Total Funds Available
Arcata	17,898	13.32%	576,264	17,946	594,210
Blue Lake	1,260	0.94%	40,568	1,257	41,825
Eureka	26,946	20.05%	867,584	953,600	1,821,184
Ferndale	1,369	1.02%	44,078	1,336	45,414
Fortuna	12,032	8.95%	387,396	12,088	399,484
Rio Dell	3,372	2.51%	108,569	3,287	111,856
Trinidad	363	0.27%	11,688	2,183	13,871
Humboldt County	71,158	52.95%	2,291,083	70,726	2,361,809
Total	134,398	100%	4,327,229	\$ 1,062,423	\$ 5,389,652

PASSED AND ADOPTED by the Humboldt County Association of Governments, in the City of Eureka, County of Humboldt, State of California, this 18th day of February 2016, by the following vote:

AYES: MEMBERS: *Sundberg, Jäger, Strick, Pickett-Wallace, Hincley, West, Johnson, Feltre.*

NOES: MEMBERS:

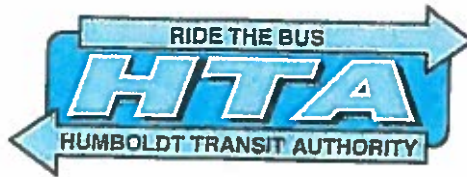
ABSENT: MEMBERS:

ABSTAIN: MEMBERS:

Attest:

Debbie Egger
Debbie Egger, Administrative Services Officer

Ryan Sundberg
Ryan Sundberg, HCAOG Chair



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

Office: (707) 443-0826
Fax: (707) 443-2032
www.hta.org

April 12, 2016

CITY OF RIO DELL

APR 14 2016

RECEIVED

Brooke Woodcox
City of Rio Dell, Finance Director
675 Wildwood Avenue
Rio Dell, CA 95562

Dear Ms. Woodcox:

For the purpose of budgeting your TDA funds for fiscal year 2016/17, we wanted to inform you that the Humboldt Transit Authority (HTA) staff is not anticipating any increase in member entities TDA contributions for the Redwood Transit System. The estimated amount to the City of Rio Dell for the 2016/17 contribution is \$41,865.

This matter will be brought before the HTA Finance and Operations Committee during the budgeting process, then to the HTA Governing Board of Directors for final approval. If you have any questions regarding this matter please contact me (443-0826) at your earliest convenience.

Sincerely,

Humboldt Transit Authority

Greg Pratt
General Manager

cc: Marcella Clem, HCAOG Executive Director

From: Humboldt Senior Resource Center
 Re: Adult Day Health, Alzheimer's & PACE Services
 1910 California Street
 Eureka, Ca 95501
 707.443.9747 x1229
 agiarizzo@humsenior.org

To: City of Rio Dell
 Joanne Farley
 Accountant II
 675 Wildwood Avenue
 Rio Dell, CA 95562
 707.764.3532
 farleyj@cityofriodell.ca.gov

RIO DELL SHARE OF COST PLAN FOR
 ADULT DAY HEALTH, ALZHEIMER'S & PACE SERVICES TRANSPORTATION
 COSTS UNINCORPORATED SERVICE AREA

PERIOD 7/1/16-6/30/17

<u>Calculation of Cost Per Ride</u>	<u>FY 16/17</u>
Total budgeted expenditures	749,679
Total projected round trip rides	17,731
Total Cost Per Ride	42,281
<u>Calculation of Unfunded Costs for</u> <u>County Residents</u>	
Round trip rides for Rio Dell residents	884
Percentage of Rio Dell Round Trip to Total Round Trips	4.99%
Total Cost for Rio Dell Residents	37,376
<u>Less Revenue from Other Sources</u>	
Medi-Cal	7,147
Medi-Care	6,663
Private Pay	186
Veterans	382
Total Revenue from Other Sources	14,379
Balance Unfunded	22,997
Average Cost per round trip Ride	26.02
Requested Contract Amount for FY 16/17	6,500 ✓

Budget prepared by Allyson P. Giarrizzo

Title: Finance Manager

Authorized Signature

Director Health Services

Title

Date



675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: knoppk@cityofriodell.ca.gov

**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
August 2, 2016**

TO: Mayor and Members of the City Council
THROUGH: Kyle Knopp, City Manager
FROM: Brooke Woodcox, Finance Director
DATE: August 2, 2016
SUBJECT: **Adult Day Health & Alzheimer Services Contract**

RECOMMENDATIONS

Authorize the City Manager to execute a continued contract agreement with Adult Day Health & Alzheimer Services for transportation services for the fiscal year 2016/17.

BACKGROUND AND DISCUSSION

The City of Rio Dell has contracted with Adult Day Health Services of Fortuna for many years to provide transportation services for residents of Rio Dell who are disabled and/or 55 years of age and older. The City receives Transportation Development Act (TDA) funding through the Humboldt County Association of Governments (HCAOG) for this purpose.

FISCAL IMPACT

The cost of the upcoming year's services is \$6,500. Funding for said services is provided through the cities TDA allocation and is currently included in the 2016/17 operating budget.

ATTACHMENTS:

(1) Contract Agreement

**CONTRACT AGREEMENT
TRANSPORTATION SERVICES FOR THE ELDERLY AND
FUNCTIONALLY DISABLED**

This agreement made and entered into and made effective as of July 1, 2016, by and between the City of Rio Dell (hereinafter referred to as "City"), and Adult Day Health & Alzheimer Services, a private, non-profit organization (hereinafter referred to as "Provider"), for the period of July 1, 2016 to June 30, 2017, regarding provision of the following services:

Transportation for Adult Day Health & Alzheimer Services Program Participants

IT IS MUTUALLY AGREED by and between City and Provider as follows:

1. Provider shall perform, in a satisfactory and proper manner, transportation services between the City of Rio Dell and Adult Day Health & Alzheimer Services, to persons fifty-five (55) years of age and older and for disabled individuals.
2. City shall compensate Provider per ride, round trip, up to a total compensation of \$6,500.
3. Services will be available through the entire twelve (12) month period of contract.
4. Any changes in scope of service, including any increase or decrease in compensation which is agreed upon between the parties, shall be effective when incorporated in written amendments to the Agreement. No oral understanding or agreement shall be binding to the parties hereto.
5. Compensation shall be paid to Provider upon receipt of properly completed financial reports. Total annual compensation shall not exceed TDA funds requested and received by the City from HCAOG for this purpose.
6. Provider agrees to comply with all applicable federal, state and local laws, regulations, standards, policies, and standards of employment, included but not limited to, California Transportation Development Act rules and regulations. Provider also agrees to keep in effect all licenses, permits, notices, certificates, bonds, and insurance required for performing the service.
7. During the terms of this Agreement, Provider shall insure Provider and, as an additional primary insured, shall insure City, its officials, officers, and employees against all damages and claims for damages for bodily injury or property damage arising out of this Agreement or the use of any vehicle used to provide transportation hereunder and resulting from Provider's ownership, maintenance, or use of said vehicles, in the minimum amount of \$1,000,000 combined single limit. Provider shall furnish City with properly executed certificates of insurance and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on thirty (30) day prior notice to City.
8. All vehicles operated in conjunction with the Transportation Development Act funds shall be subject to the following conditions;

Provider shall accept accountability and responsibility for operation of the vehicle(s);

Provider shall be responsible for all repair, rehabilitation, and maintenance costs for the vehicle(s);

Provider shall operated the vehicle(s) in compliance with all federal, state, and local laws and regulations, and keep in effect all licenses, permits, notices bonds and certificates. The driver of any vehicles designed to carry more than ten (10) persons, including the driver must have a Class B license. (California Administrative Code - Title 13, Subchapter 6.5)

9. Provider shall expend funds received solely for the purposes of this project
10. Termination of Suspension for Cause. Upon breach of this Agreement, City shall have the right to (1) suspend the project funded under this Agreement; or (2) terminate this Agreement, by giving written notice to Provider of such suspension or termination. City shall specify in writing the effective date thereof, at least five (5) days before the effective date of such suspension or termination.
11. Termination for Convenience. Either City or Provider may terminate this Agreement upon thirty (30) days written notice to the other party.

IN WITNESS THEREOF, City and Provider executed this Agreement

This 2nd day of August 2016.

PROVIDER:

CITY OF RIO DELL:

Program Director

Kyle Knopp, City Manager

ATTEST:

Karen Dunham, City Clerk

From: Humboldt Senior Resource Center
 Re: Adult Day Health, Alzheimer's & PACE Services
 1910 California Street
 Eureka, Ca. 95501
 707.443.9747 x1229
agiarrizzo@humsenior.org

To: City of Rio Dell
 Joanne Farley
 Accountant II
 675 Wildwood Avenue
 Rio Dell, CA 95562
 707.764.3532
farlevi@cityofriodell.ca.gov

RIO DELL SHARE OF COST PLAN FOR
 ADULT DAY HEALTH, ALZHEIMER'S & PACE SERVICES TRANSPORTATION
 COSTS UNINCORPORATED SERVICE AREA

PERIOD 7/1/16-6/30/17

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Medi-Cal	7,147
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Private Pay	186
Veterans	382
Total Revenue from Other Sources	14,379
Balance Unfunded	22,997
Average Cost per round trip Ride	26.02
Requested Contract Amount for FY 16/17	6,500

Budget prepared by: Allyson P. Giarrizzo

Title: Finance Manager

Authorized Signature:

Director Health Services

Title

Date

POSTED

CITY OF RIO DELL CHECK REGISTER

General Checking - US Bank of California

Check	Date	Vendor	Description	Check/Payment
4842	6/09/2016	[0576] 101 AUTO PARTS	FUSE	84.62
4861	6/17/2016	[6038] ACCURATE TERMITE & PEST SOLUTIONS	EXCLUSION WORK TO REMOVE & REPLACE 21 VENT SC	1,645.00
4821	6/01/2016	[5235] ADVANTAGE FINANCIAL SERVICES	DOCSTAR 3.12 SOFTWARE PACKAGE	343.43
4897	6/30/2016	[5235] ADVANTAGE FINANCIAL SERVICES	DOCSTAR 3.12 SOFTWARE PACKAGE	343.43
4822	6/01/2016	[5750] AERO-MOD	BELT PRESS REPAIR	551.83
4823	6/01/2016	[3527] ALLIANT INSURANCE SERVICES (DRIVER)	ACIP CRIME INSURANCE RENEWAL 7/1/16 TO 7/1/20	950.00
4843	6/09/2016	[5381] ALTERNATIVE BUSINESS CONCEPTS	MONTHLY MAINTENANCE & COPY CHARGES FOR MAY 20	1,443.49
4876	6/22/2016	[2906] ALVES INC.	REMOVE & REPLACE NORTH HALF OF ELM ST	2,240.00
4862	6/17/2016	[2224] AQUA BEN CORPORATION	HYDROFLOC 750L 55 GAL DRUM	814.23
4824	6/01/2016	[3975] AT&T - 5709	U-VERSE INTERNET SERVICE 4/16/16 - 5/15/16	65.91
4844	6/09/2016	[3975] AT&T - 5709	PHONE EXPENSES FOR MAY 2016	498.17
4877	6/22/2016	[3975] AT&T - 5709	U-VERSE INTERNET SERVICE 5/16/16 - 6/15/16	65.91
4863	6/17/2016	[2237] BANK OF AMERICA BUSINESS CARD	DWYER INSTRUMENTS INC - AIR SENSOR FOR SLUDGE	3,056.44
4825	6/01/2016	[5846] BRIGHTWELL, ROBIN	CUSTOMER DEPOSIT REFUND	49.32
4878	6/22/2016	[2285] CC MARKET (1)	BIRTHDAY CAKE FOR THE MONTH OF JUNE 2016	30.00
4864	6/17/2016	[2293] CITY OF FORTUNA	POLICE DISPATCH SERVICE FOR JUNE 2016	2,075.00
4845	6/09/2016	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 5/27/2016	120.00
4879	6/22/2016	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 6/10/16	120.00
4898	6/30/2016	[6042] CSAA INSURANCE EXCHANGE	AUTO DAMAGE CLAIM #1001-26-3229 FOR RENA DEWE	1,899.09
4899	6/30/2016	[2411] DEARBORN NATIONAL LIFE INSURANCE COMPANY	LIFE INSURANCE FOR JULY 2016	224.00
4865	6/17/2016	[5127] DELTA DENTAL	DENTAL INSURANCE FOR JULY 2016	2,054.11
4826	6/01/2016	[2366] EEL RIVER DISPOSAL INC	GARBAGE BAGS FOR MAY 2016	595.40
4846	6/09/2016	[2366] EEL RIVER DISPOSAL INC	TWO HAULING SERVICES TO MOVE STORAGE CONTAINERS	180.00
4880	6/22/2016	[2423] GEORGE'S GLASS, INC	BACKGLASS REPLACEMENT FOR 2008 FORD F-250 TRU	438.45
4847	6/09/2016	[5052] GHD, INC	ENGINEERING SERVICES FOR METROPOLITAN WELLS P	2,014.00
4827	6/01/2016	[2501] HAJOCA CORPORATION	ONE CLOW F6103 2 250 THRD RW GATE VLV; TWO MA	437.53

CITY OF RIO DELL CHECK REGISTER

General Checking - US Bank of California

<u>Check</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Check/Payment</u>
4866	6/17/2016 [2501]	HAJOCA CORPORATION	THREE ROMAC REPAIR COUPLINGS	192.98
4881	6/22/2016 [2501]	HAJOCA CORPORATION	1x100 CTS 250PSI POLY PIPE	190.43
4882	6/22/2016 [2750]	HD Supply Facility Maintenance DBA: USA BLUEBOOK	1/2" RADIAL BULLET FOR SEWER MACHINE	203.87
4848	6/09/2016 [5932]	HIGH ROCK CONSERVATION CAMP	PROFESSIONAL SERVICES @ METROPOLITAN ROAD	200.00
4828	6/01/2016 [2474]	HUMMEL TIRE & WHEEL, INC	WHEEL BALANCE & TIRE ROTATION/FOUR TIRES FOR	40.00
4900	6/30/2016 [2485]	INDUSTRIAL ELECTRIC	7.5/1800 GE 213T FRAME PREM. EFF. MOTOR FOR P	768.85
4883	6/22/2016 [2499]	J.P. COOKE CO.	2016-2017 ANIMAL LICENSES	65.32
4829	6/01/2016 [5446]	JOHNSON, GORDON	LODGING REIMBURSEMENT TO ATTEND LEAGUE OF CAL	108.90
4884	6/22/2016 [5942]	KEENAN & ASSOCIATES	HEALTH INSURANCE FOR JULY 2016	14,337.15
4830	6/01/2016 [2521]	LEAGUE OF CALIF. CITIES	DIVISION MEETING 5/20/16	45.00
4867	6/17/2016 [5782]	DREW MENTZER	CUSTOMER DEPOSIT REFUND	256.32
4841	6/03/2016 [2551]	MIRANDA'S ANIMAL RESCUE	ANIMAL CONTROL FOR MAY 2016	1,000.00
4849	6/09/2016 [4908]	MITCHELL BRISSO DELANEY & VRIEZE	LEGAL SERVICES FOR MAY 2016	3,850.16
4831	6/01/2016 [5269]	MOBILE DIESEL REPAIR	REPAIRS TO BACKUP GENERATORS AT FERN & PAINTE	1,542.66
4850	6/09/2016 [2570]	NILSEN COMPANY	126 40# BAGS SOLAR ROCK SALT	659.99
4868	6/17/2016 [2569]	NORTH COAST LABORATORIES, INC.	AMMONIA NITROGEN W/O DISTILLATION; NITRATE/NI	140.00
4901	6/30/2016 [2569]	NORTH COAST LABORATORIES, INC.	COLIFORM QUANTI-TRAY	60.00
4832	6/01/2016 [4393]	NYLEX.net. Inc.	MONTHLY MAINTENANCE FOR JUNE15,2016 THROUGH J	1,120.00
4851	6/09/2016 [4393]	NYLEX.net. Inc.	LABOR TO INSTALL & PROGRAM ONE DATA DROP; PRO	489.26
4869	6/17/2016 [2603]	PG&E	UTILITY EXPENSES FOR MAY 2016	19,013.46
4870	6/17/2016 [3343]	PITNEY BOWES RESERVE ACCOUNT	POSTAGE PURCHASE FOR RESERVE	400.00
4902	6/30/2016 [2619]	PITNEY BOWES, INC. (QTR Pymnt)	QUARTERLY LEASING PAYMENT FOR 3/30/16 - 6/29/	168.73
4885	6/22/2016 [5973]	PRECISION INTERMEDIA	SET UP DOCUMENT TYPE, CONTENT TYPE & VIEW FOR	332.50
4886	6/22/2016 [4338]	QUILL CORPORATION	ONE BOX CASH REGISTER RIBBONS	129.14
4903	6/30/2016 [4338]	QUILL CORPORATION	ONE PACK CLEAN EDGE LASER BUSINESS CARD STOCK	27.23
4833	6/01/2016 [5222]	R.J. RICCIARDI, INC	PROFESSIONAL SERVICES FOR PERIOD ENDING APRIL	9,319.10

CITY OF RIO DELL CHECK REGISTER

General Checking - US Bank of California

<u>Check</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Check/Payment</u>
4834	6/01/2016 [3032]	RENDEZVOUS MUSIC & VENDING	COFFEE	63.00
4887	6/22/2016 [3032]	RENDEZVOUS MUSIC & VENDING	COFFEE	63.00
4888	6/22/2016 [2657]	RIO DELL EMPLOYEES ASSOC	DUES FOR QUARTER ENDING 06/30/2016	70.00
4852	6/09/2016 [5545]	RIVERWALK VETERINARY HOSPITAL	FELINE EUTHANASIA & BURIAL	97.60
4871	6/17/2016 [2664]	ROGERS MACHINERY INC	1 BASE FOR GRUNDOS PUMP MODEL CR10 AT DOUGLA	426.36
4889	6/22/2016 [5772]	SACRAMENTO VALLEY ASSOCIATION OF	2016-2017 MEMBERSHIP DUES	65.00
4853	6/09/2016 [2742]	SCOTIA TRUE VALUE HARDWARE	ONE GALLON VOCGP PAINT THINNER	197.03
4872	6/17/2016 [2742]	SCOTIA TRUE VALUE HARDWARE	18 OZ PAINT/VARNISH REMOVER	37.27
4890	6/22/2016 [2742]	SCOTIA TRUE VALUE HARDWARE	FOUR MP SELECT 9" ROLLER COVERS	15.87
4835	6/01/2016 [5972]	SELLEN, JAMES	CUSTOMER DEPOSIT REFUND	38.19
4873	6/17/2016 [2694]	SHELL OIL CO.	PD FUEL EXPENSES FOR MAY 2016	1,744.36
4854	6/09/2016 [4525]	SHERLOCK RECORDS MGMT	STORAGE SERVICE; BOX RETRIEVAL & ACCESSION FE	134.64
4891	6/22/2016 [2690]	SHERWIN -WILLIAMS CO.	5 GAL PROMAR SOLVENT VOC COM	183.03
4836	6/01/2016 [2709]	STAPLES DEPT. 00-04079109	FOUR CASES COPY PAPER; ; TWO BOXES BINDER CLI	721.23
4904	6/30/2016 [2709]	STAPLES DEPT. 00-04079109	D-LINK 5-PORT 10/100 DESKTOP SWITCH FOR HANDH	16.34
4855	6/09/2016 [2710]	STARPAGE	PAGING SERVICE FOR JUNE 2016	12.95
4837	6/01/2016 [2319]	SUDDENLINK COMMUNICATIONS	MONTHLY BROADBAND SERVICE 6/1/16 - 6/30/16	260.74
4856	6/09/2016 [2319]	SUDDENLINK COMMUNICATIONS	INTERNET SERVICE 5/10/16 - 7/9/16	134.95
4905	6/30/2016 [2319]	SUDDENLINK COMMUNICATIONS	MONTHLY BROADBAND SERVICE 7/1/16 - 7/31/16	260.63
4838	6/01/2016 [2714]	SWRCB ACCOUNTING OFFICE	LARGE WATER SYSTEM FEES FOR 7/1/15 - 12/31/15	2,345.49
4874	6/17/2016 [2719]	SWRCB OFFICE OF OPERATOR CERT	TWO - GRADE D2 WATER DISTRIBUTION OPERATOR R	90.00
4857	6/09/2016 [1134]	JACK THOMPSON	MLEAGE REIMBURSEMENT TO/FROM HWMMA APRIL 27 T	137.70
4858	6/09/2016 [2735]	TIMES-STANDARD	CLASSIFIED ADVERTISING; METROPOLITAN WELLS RE	1,043.36
4820	6/01/2016 [2757]	US POSTMASTER	ANNUAL FIRST CLASS MAILING PERMIT	215.00
4896	6/29/2016 [2757]	US POSTMASTER	POSTAGE FOR UTILITY BILLING FOR THE MONTH OF	359.39
4839	6/01/2016 [2758]	USDA RURAL DEVELOPMENT	CASE #04-012-094160360; CODE 92; LOAN NUMBER	27,125.00

CITY OF RIO DELL CHECK REGISTER

General Checking - US Bank of California

<u>Check</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Check/Payment</u>
4859	6/09/2016 [2481]	VANTAGEPOINT TRANSFER AGENTS-304361	RETIREMENT FOR PPE 5/27/2016	5,339.65
4892	6/22/2016 [2481]	VANTAGEPOINT TRANSFER AGENTS-304361	RETIREMENT FOR PPE 6/10/16	5,251.49
4906	6/30/2016 [5166]	VSP-VISION SERVICE PLAN	VISION INSURANCE FOR JULY 2016	312.82
4875	6/17/2016 [6037]	WELLS FARGO VENDOR FIN SERV	XEROX COPIER PAYMENT FOR JUNE 2016	482.13
4893	6/22/2016 [2772]	WENDT CONSTRUCTION, INC	VACTOR TRUCK & LABOR FOR WATER LEAKS ON OGLE	732.50
4840	6/01/2016 [2779]	WILDWOOD SAW	FOUR STIHL AUTO 25 SPOOL; FOUR DIAMOND EDGE T	129.17
4860	6/09/2016 [2779]	WILDWOOD SAW	STIHL BR430 BACKPACK PLOWER	356.35
4894	6/22/2016 [2779]	WILDWOOD SAW	EIGHT NO SPILL 5 GAL FUEL CANS; TWO NO SPILL	453.06
4907	6/30/2016 [5569]	BROOKE D E WOODCOX	LODGING, MEAL PER DIEM & MILEAGE REIMBURSEMENT	310.54
4895	6/22/2016 [2792]	ZUMAR INDUSTRIES, INC.	20 - 2" SCUB BRACKETS; 10 - 2" CAPS FOR STAND	306.02
Total Checks/Deposits				<u>126,532.27</u>

252-288	6/06/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 05/27/2016	1,796.83
584-640	6/06/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR FINAL PAYCHECK FOR RICK CHICORA. 06/03/2016	145.90
829175	6/06/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR FINAL PAYCHECK FOR RICK CHICORA. 06/03/2016	957.44
2524106	6/06/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 05/27/2016	11,323.60
9424143	6/16/2016	BANK WITHDRAWAL	BANK ANALYSIS FEE FOR JUNE 2016.	17.85
622856	6/17/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC FOR JUNE 2016	577.80
968174	6/20/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 06/10/2016	11,641.62
612-288	6/20/2016	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 06/10/2016	1,882.55
Total EFT's/Bank Withdrawals				<u>28,343.59</u>

TRX TO	6/03/2016	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 5/27/2016	2,638.96
TRX TO	6/14/2016	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 6/10/2016	28,668.49
TRX TO	6/28/2016	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 6/24/2016	26,613.00
Total Transfer Between Accounts				<u>57,920.45</u>

*675 Wildwood Avenue
Rio Dell, CA 95562*



**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
August 2, 2016**

TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager

FROM: Karen Dunham, City Clerk

DATE: August 2, 2016

SUBJECT: Appointment to fill Vacancies on the Rio Dell Planning Commission

RECOMMENDATION

Allow the applicants the opportunity to make a short introduction/presentation then vote to appoint two (2) of the applicants to the Rio Dell Planning Commission and one (1) of the applicants as an Alternate Commissioner in accordance with procedures outlined in Resolution 1127-2011. One position will be for the remainder of the unexpired term ending December 31, 2018, one position for a three (3) year term ending December 31, 2019, and one Alternate position to a three (3) year term ending December 31, 2019.

BUDGETARY IMPACT

None

BACKGROUND AND DISCUSSION

There are currently three (3) vacancies on the Rio Dell Planning Commission. Two of the vacancies are the result of the recent resignations of Billie Joe Long and Alice Millington and the third vacancy is for an Alternate Planning Commissioner position that was recently established. The Notice of Vacancy was posted on May 27, 2016 with the last day for submittal of applications being June 16, 2016. The application period was extended to July 28, 2016 due to receiving an insufficient number of applications.

Resolution No. 1127-2011 establishes the procedures for appointments by the City Council for vacant positions on the various boards and commissions. Ballots will be provided at the Council meeting at the time the agenda item is heard.

The following six (6) applications were received for the three (3) vacant positions:

- **Sandy J. Blakely**
- **Alonzo Bradford**
- **Teisha Mechetti**
- **Bryan Richter**
- **Mike Strahan**
- **Michelle Stuart**

ATTACHMENTS:

Applications for Commission Appointment (6)
Resolution No. 1127-2011

RESOLUTION NO. 1127-2011
A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF RIO DELL PROVIDING A PROCEDURE FOR
APPOINTMENTS BY THE CITY COUNCIL
FOR VACANT POSITIONS ON THE CITY
COUNCIL AND COMMISSIONS

WHEREAS, the City Council is authorized under RDMC Section 2.55 to establish and by a majority vote appoint individuals to commissions, boards and committees; and

WHEREAS, City Council desires to use the same system to select the Mayor and Mayor Pro Tempore as is used to appoint individuals to commissions, boards and committees; and

WHEREAS, when vacancies occur on the City Council and Commissions, the City Council will vote to appoint replacements for the duration of the term (or for a full term when an election is planned and less candidates file than the number of seats that will become vacant); and

WHEREAS, the City Council desires that a set of procedures be in place to formally guide the voting process;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell that:

1. Upon notice of a vacancy, an application time period shall be designated whereby interested applicants may complete an application to fill the vacant seat.
2. Names of all qualified applicants shall be placed in nomination for the vacant Seat.
3. All Councilmembers shall be considered nominated for Mayor and Mayor Pro Tempore (with the exception of the newly appointed Mayor). Any Councilmember may decline nomination for Mayor or Mayor Pro-Tempore.
4. Applicants shall be given an opportunity to make a short presentation to the Council at a public meeting.
5. At a City Council meeting where the vacancy is agenzized, each Councilmember will write the name of the applicant of their choice, and sign their ballot.
6. The ballots will be passed to the City Clerk to be counted and announced by name and for whom they voted.
7. If an applicant receives 3 or more votes, that candidate is chosen for the vacancy. Otherwise, there will be a runoff ballot between the top 2 applicants. Applicants receiving 2 votes will be placed in the runoff, and a separate vote shall be held for those receiving 1 vote if only 1 applicant has 2 votes (i.e. 2,1,1,1).

7. In the case of ties, a revote will be held.
8. After 3 ties, the Council will declare that the item be continued and placed on the next regular agenda.
9. At the next regular or special council meeting where the continued item is agendized, the Council shall re-vote up to 2 more times in the same manner as described above. In the event there is still a tie vote, the Council will declare a deadlock and reopen the application process.

BE IT FURTHER RESOLVED, that the procedure for establishing a system for City Council appointments to commissions, boards and committees and procedures for the selection of Mayor and Mayor Pro Tempore as described in Resolution Nos. 416, 625, 700, and 822-1-2002 are hereby repealed and replaced with the procedure described above.

PASSED AND ADOPTED by the City Council of the City of Rio Dell on this 6th day of September, 2011 by the following vote:

AYES: Woodall, Leonard, Marks, Thompson, Wilson
NOES: None
ABSENT: None
ABSTAIN: None

Julie Woodall, Mayor

Attest:

Karen Dunham, City Clerk



RECEIVED
5-19-16 (Ra)



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

Thank you for expressing your interest in serving the community as an appointed member of the Rio Dell Planning Commission. All applicants must permanently reside within the City of Rio Dell at the time of application. The appointed Planning Commissioner will be required to file a Fair Political Practices Commission (FPPC) Statement of Economic Interest Form 700 required by California Government Code §87200 et seq. and the City of Rio Dell Conflict of Interest Code.

This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: Sandy J Blakely

Address Where you Reside: 53 West Center Street # F Rio Dell, CA

Mailing Address (if different): _____

Home Phone: _____ Cell Phone: 707-951-0491

Email Address: blakelysj@hotmail.com

EDUCATIONAL DATA:

High School: Fortuna Union High School

College/University: College of the Siskiyous / CA State Apprenticeship Board

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: Retired from PG&E

CITY OF RIO DELL

MAY 19 2016

RECEIVED

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes ☒ No

If yes, please list: _____

Please list any past or present community involvement: 3 years on the City
of Crescent City Planning Commission, Two
Del Norte County Grand Jurors. (Pro-Tem & Foreperson)
Del Norte County Juvenile Justice and Delinquent Prevention
Commission.

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I'm

retired and I enjoy giving back to the community
and serving.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes ☒ No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 05/18/2016

SIGNATURE: _____



RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

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This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: Alonzo Bradford

Address Where you Reside: 30 Monument rd apt 1, Rio Dell, Ca 95562

Mailing Address (if different): _____

Home Phone: _____ Cell Phone: 323-384-9977

Email Address: Urashama@gmail.com

EDUCATIONAL DATA:

High School: Los Angeles High School H.S. Diploma

College/University: American InterContinental University B.S. Information Technology

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: Information Technology Consultant

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes X No

If yes, please list: _____

Please list any past or present community involvement: _____ Current community involvement:

Advocation for a positive community inclusive Rio Dell.

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I am interest

in helping and being a part of the process for positive change.

Helping Re-establish a strong sense of community pride

and community involvement. I offer a wide range of experience

from a solid Information Technology background. As well,

a fresh new perspective on the city, Social media expert,

and youthful can-do attitude.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes X No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

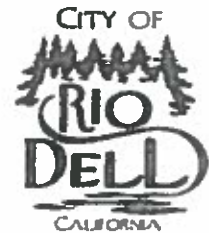
DATE: 05/24/16

SIGNATURE: _____

alonzo bradford

RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

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This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: Teisha Mechetti

Address Where you Reside: 521 View Ave. Rio Dell, CA, 95562

Mailing Address (if different): P.O. Box 3255, Eureka, CA, 95502

Home Phone: _____ Cell Phone: 707-502-0217

Email Address: tmchetti@gmail.com

EDUCATIONAL DATA:

High School: Fairport High School

College/University: College of the Redwoods

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: AgDynamix - Self-Employed

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes ☒ No

If yes, please list: _____

Please list any past or present community involvement: _____

Extensive volunteer work, fundraising, event organization.

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: _____

To be more actively involved in the future development, and community improvement of Rio Dell.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes ☒ No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE:

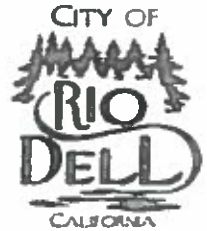
7/21/2016

SIGNATURE:

Town

RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

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This application is considered a public record pursuant to the California Public Records Act (Government Code §62520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: BRYAN K RICHTER

Address Where you Reside: 160 NORTH STREET, RIO DELL

Mailing Address (if different): _____

Home Phone: 707-764-2502 Cell Phone: 707-496-7427

Email Address: richterconstruction@hotmail.com

EDUCATIONAL DATA:

High School: FORTUNA UNION HIGH SCHOOL

College/University: NONE

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: RICHTER CONSTRUCTION
OWNER/CONTRACTOR

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes ☒ No

If yes, please list: _____

Please list any past or present community involvement: NONE TO DATE

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I HAVE

LIVED IN RIO DELL 25 YES CONSECUTIVELY, WITH A FAMILY
TIE TO THE TOWN SINCE 1949. WITH MY BUILDING BACKGROUND
AND LIFE EXPERIENCES PLUS A PRIDE IN THE COMMUNITY, BEING
A PART OF THE DECISION PROCESS IS IMPORTANT TO ME.
HAVING THE OPPORTUNITY TO SHAPE THE FUTURE!

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes ☒ No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE:

7.20.16

SIGNATURE



RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com

**RECEIVED**

7-29-16/Kd



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

Thank you for expressing your interest in serving the community as an appointed member of the Rio Dell Planning Commission. All applicants must permanently reside within the City of Rio Dell at the time of application. The appointed Planning Commissioner will be required to file a Fair Political Practices Commission (FPPC) Statement of Economic Interest Form 700 required by California Government Code §87200 et seq. and the City of Rio Dell Conflict of Interest Code.

This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: Mike Strahan

Address Where you Reside: 1227 Riverside Dr.

Mailing Address (if different): _____

Home Phone: 764-3823 Cell Phone: 599-7801

Email Address: mks1976@sbcglobal.net

EDUCATIONAL DATA:

High School: Arcata High

College/University: College of the Redwoods

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: CALTRIP 4-10-2016

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes ☒ No

If yes, please list: _____

Please list any past or present community involvement: Involved with Wildwood
days many years ago. Clean-up days on the river bar along Rio
Dell

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I feel that

with my background of 40 years in the construction industry

I bring the ability to look at things in a very precise way and

objective way for the betterment of our community. This is a

community I have lived in for 40 years and have seen the changes for

the better during this time. I would love to continue to see grow for
the better of all.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes ☒ No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 7/28/2016 SIGNATURE: Mela Steen

RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com



RECEIVED
7-28-16
4:55 p.m.



**CITY OF RIO DELL
APPLICATION FOR
PLANNING COMMISSION APPOINTMENT**

Thank you for expressing your interest in serving the community as an appointed member of the Rio Dell Planning Commission. All applicants must permanently reside within the City of Rio Dell at the time of application. The appointed Planning Commissioner will be required to file a Fair Political Practices Commission (FPPC) Statement of Economic Interest Form 700 required by California Government Code §87200 et seq. and the City of Rio Dell Conflict of Interest Code.

This application is considered a public record pursuant to the California Public Records Act (Government Code §6520 et seq.) and may be made available to any member of the public upon request.

PERSONAL DATA:

Name: MICHELLE STUART

Address Where you Reside: 270 MONUMENT ROAD

Mailing Address (if different): PO BOX 116

Home Phone: _____ Cell Phone: 499-5880

Email Address: REDWOODTREE101@YAHOO.COM

EDUCATIONAL DATA:

High School: VALLEY HIGHT SCHOOL SANTA CLARA

College/University: WEST VALLEY COLLEGE, DEANZA COLLEGE
HUMBOLDT STATE (HSU)

EMPLOYMENT DATA:

Current Employer/Occupation When Employed: RELIABILITY ENGINEER

CITY OF RIO DELL

RETIRED

JUL 28 2016

RECEIVED

GENERAL INFORMATION:

Do you currently serve on a City Board or Commission? _____ Yes ☒ No

If yes, please list: _____

Please list any past or present community involvement: EASTER TOY DRIVE
COORDINATOR, BOWLING FOR CROHN'S DISEASE,
PHONE VOLUNTEER FOR PUBLIC RADIO KC5M,
VOLUNTEERED PART TIME FOR 5 YEARS FOR A
LOCAL NON-PROFIT.

Please explain why you are interested in the appointment and what you, as a City Planning Commissioner, would offer to the Planning Commission and the community: I AM

INTERESTED IN KNOWING ABOUT AND HAVING A VOICE IN
MY COMMUNITY WHICH I PLAN TO LIVE THE REST OF MY LIFE.
I GAINED MANY SKILLS DURING MY 20 YEAR CAREER IN
SILICON VALLEY AS A QUALITY AUDITOR, MATERIAL
PLANNER, BUYER, AND RELIABILITY ENGINEER.

Do you or any member of your immediate family residing in your household, hold a position (paid or unpaid) with any person or entity, or have a contract with or any obligation to any person or entity, that might appear to constitute a conflict of interest for a City Planning Commissioner? For purposes of this question, "entity" specifically includes, but is not limited to, the City of Rio Dell and any entity which receives funds from the City. _____ Yes ☒ No

If yes, please explain:

CERTIFICATE OF APPLICANT:

I certify that: 1) I permanently reside within the City limits of the City of Rio Dell; and 2) all statements made in this application are true and complete. I understand that any false statement or omission of material facts will subject me to disqualification or dismissal.

DATE: 7-28-16 SIGNATURE: Michelle Dupont

RETURN COMPLETED APPLICATION TO:

Karen Dunham, City Clerk
675 Wildwood Avenue
Rio Dell, CA 95562
Phone: 764-3532
admin1@riodellcity.com

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodelcity.com*



August 2, 2016

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion And Possible Action Adopting Resolution No. 1303-2016 Submitting To The Voters Proposed Ordinance No. 346 Adding Section 5.40 To The Rio Dell Municipal Code Creating A "Cannabis" Business Classification And Setting Maximum Tax Levels For The Categories Of "Cannabis Cultivation Business" And "Other Cannabis Businesses"; With A Related Request To The Board Of Supervisors Of Humboldt County To Consolidate Said Election With The Statewide General Election; Further Directing The City Clerk To Take Any And All Actions Necessary Under Law To Prepare For And Conduct The Election.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Receive a short presentation from staff.
2. Hold discussion on the item.
3. Hold public comment on the item.
4. Give direction to staff via a motion:

I move to suspend the rules so that a motion to reconsider Resolution No. 1303-2016 may be made at this meeting. **(4/5 Vote Requirement)**

And,

"I move to reconsider Resolution No. 1303-2016, which was first considered and rejected by a vote of 3-2 on July 5, 2016." (Motion may be made by Council Member Marks or Thompson or Mayor Wilson)

And,

"I move to adopt Resolution No. 1303-2016 submitting to the voters the proposed cannabis taxation Ordinance No. 346, further requesting of the Board of Supervisors the consolidation of said election with the General Election and

further directing the City Clerk to take any all actions necessary under law to prepare for and conduct the election.” (4/5 Vote Requirement)

Or;

Take no action; or, “I move to postpone the question indefinitely.”

BACKGROUND AND DISCUSSION

On July 5, 2016 the Rio Dell City Council considered Resolution No. 1303-2016 that would ultimately place a measure on the ballot for the voters of Rio Dell to approve a cannabis tax measure. On a vote of 3-2 the proposal was defeated with Councilmembers Marks, Thompson and Mayor Wilson opposed to approval of Resolution No. 1302-2016 and Councilmembers Johnson and Ganes approving.

On July 26, 2016 the City Council held a special meeting to discuss placing an advisory measure on the general election ballot. That item was tabled on a 4-1 vote (Mayor Wilson, Councilmembers Johnson, Ganes and Thompson Assenting; Councilmember Marks dissenting) and the council gave consensus to have the City Manager place this item on today’s agenda for the (re)consideration of the full Council.

On Tuesday May 24, 2016 the Council received a briefing on options related to the taxation of cannabis. Many jurisdictions across the state are now reviewing their tax policies towards cannabis and some have had cannabis taxes on the books for years. While there are many options, the Vallejo model appeared to provide the greatest degree of flexibility and simplicity. On June 24, 2016 staff produced the proposed taxation language based on the Vallejo model and recommended a change to a square footage tax for cultivation, which received approval from a consensus of the Council. This change was recommended to bring the tax in line with other regional cultivation taxes and was seen as an initial taxation method that could be instituted quickly and at a low administrative burden. The City attorney has redrafted and attached his recommended ordinance language for proposed Ordinance No. 342.

Based on the discussion at the July 5, 2016 meeting on Resolution 1303-2016 and the recommendation of the City Attorney, the proposed Cannabis Tax Ordinance being (re)considered here includes a revision to Section 5.40.090, which defines the term “Gross Receipts”. In particular, subdivisions “I”, “J”, and “K” that were included in the proposed ordinance considered on July 5, 2016, have been removed from the proposed ordinance. The subdivisions that were removed concerned exceptions to the definition of “gross receipts” for transactions between a partnership and its partners, transactions between affiliated corporations, and transactions between a limited liability company and its members.

It is important to note that there are time constraints related to this item. It was originally requested that the City submit all required materials shortly after the Council’s regularly scheduled July 5, 2016 meeting. Staff has been in contact with the County who has advised the City that the absolute cutoff date for ballot materials would be 11:00am Wednesday morning on August 3rd (tomorrow). Past this date there will be no further options to place a tax measure on the ballot for voter consideration. Future election dates in 2017 include March 7, June 6 and November 7.

In summary, the voters would be proposed with the following tax on November 8, 2016:

Ordinance 342-2016 is a General Tax that is set at up to \$5.00 per square foot for cultivators and up to 10% of gross receipts for all other types of cannabis businesses. If passed by the voters, the Council has the option to set and adjust these rates up to the aforementioned ceilings via future ordinance. The tax also allows the Council to set different rates and categories for these cannabis taxes via future ordinance, including possible categories for “non-medical cannabis” or “medical cannabis.” If adopted by the voters, this tax would remain in effect until otherwise amended, eliminated or succeeded via a similar public vote.

If Ordinance 342-2016 is adopted by the voters, the tax would *not* be effective unless and until the Council takes action by a Land Use Ordinance to permit cannabis businesses to operate within the City. Additionally, Ordinance 342-2016 does not set an initial tax rate. If approved by voters, the Council will need to establish the initial rate via future ordinance.

Under existing Rio Dell Municipal Code Section 17.30.190 residents of Rio Dell are allowed up to 50 square feet of indoor growing of marijuana for individual medical purposes. This section of code remains active and is not subject to the proposed tax.

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Ordinance No. 346-2016

ORDINANCE ADDING CHAPTER 5.40 TO TITLE 5 OF THE RIO DELL MUNICIPAL CODE AND CREATING A NEW BUSINESS TAX FOR CANNABIS CULTIVATION BUSINESSES AND OTHER CANNABIS BUSINESS

The people of the City of Rio Dell do ordain as follows:

Section 1. The Rio Dell Municipal Code is hereby amended to add sections as set forth below.

Section 2. Code Amendment. Title 5 of the Rio Dell Municipal Code is hereby amended adding Chapter 5.40 to read as follows:

Chapter 5.40 - CANNABIS BUSINESS LICENSE TAX

Part 1 - Purpose and Definitions

5.40.010 - Purpose of chapter.

This chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation.

5.40.020 - Definitions.

The definitions set forth in this part shall govern the application and interpretation of this chapter.

5.40.030 - Business.

The term "business" shall include all activities engaged in or caused to be engaged in within the city including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood whether or not carried on for gain or profit, but shall not include, the services rendered by an employee to his or her employer.

5.40.040 - Business license.

"Business license" means the license issued by the city to the taxpayer upon completion of the business license application and payment of the tax prescribed by Chapter 5.05.

5.40.050 - Director.

"Director" means the director of the finance department of the city or, if the director of the finance department position is vacant or the director is incapacitated or otherwise unavailable, such other director designated by the city manager to administer this chapter.

5.40.060 - Employee.

"Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission or room and board or as a volunteer.

5.40.070 - Engaged in business.

- A. "Engaged in business" means the commencing, conducting, operating, managing or carrying on of a cannabis cultivation business or other cannabis business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the city or coming into the city from an outside location to engage in such activities.
- B. A person shall be deemed engaged in business within the city if:
1. Such person or person's employee maintains a fixed place of business within the city for the benefit or partial benefit of such person;
 2. Such person or person's employee owns, rents, or leases real property within the city for business purposes;
 3. Such person or person's employee regularly maintains a stock of tangible personal property in the city for sale in the ordinary course of business;
 4. Such person or person's employee regularly conducts solicitation of business within the city;
 5. Such person or person's employee performs work or renders services in the city on a regular and continuous basis involving more than five working days per year;
 6. Such person or person's employee utilizes the streets within the city in connection with the operation of motor vehicles for business purposes.

The foregoing specified activities shall not be a limitation on the meaning of engaged in business.

5.40.080 - Evidence of doing business.

Whenever any person shall, by use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, represent that such person is engaged in cannabis cultivation business or other cannabis business in the city, then these facts may be used as evidence that such person is engaged in business in the city.

5.40.090 - Gross receipts.

"Gross receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the

cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

- A. Cash discounts allowed and taken on sales;
- B. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;
- C. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- D. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
- E. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;
- F. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;
- G. Cash value of sales, trades or transactions between departments or units of the same "cannabis cultivation business" or the same "other cannabis business";
- H. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;
- I. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;
- J. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the finance department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

"Gross receipts" subject to the business tax shall be that portion of gross receipts relating to business conducted within the city.

5.40.100 – Square foot of space.

Space utilized in connection with the cultivation of cannabis shall mean any space or ground, floor or other surface area (whether horizontal or vertical) which is used during the cannabis germination, seeding, vegetative, pre-flowering, flowering and harvesting phases, including without limitation any space used for activities such as growing, planting, seeding, germinating, lighting, warming, cooling, aerating, fertilizing, watering, irrigating, topping,

pinching, cropping, curing or drying cannabis or any such space used for storing an products, supplies or equipment related to any such activities, no matter where such storage may take place or such storage space may be located.

5.40.110 - Cannabis.

The term "cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, or any other strain or varietal of the genus *Cannabis* that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin.

5.40.120 – Cannabis cultivation business.

The term “cannabis cultivation business” means a business engaged in the planting, cultivation and harvesting of cannabis in the city, whether or not carried on for gain or profit.

5.40.130 – Other Cannabis business.

The term "other cannabis business" means a business, other than a “cannabis cultivation business,” that engages in activity including, but not limited to, transporting, manufacturing, compounding, converting, testing, processing, preparing, storing, packaging, wholesale, and/or retail sales of cannabis and any ancillary products in the city, whether or not carried on for gain or profit.

5.40.140 - Cannabis business tax.

"Business tax" or "cannabis business tax" or "cannabis tax" shall mean the tax due for engaging in cannabis cultivation business or other cannabis business in the city.

5.40.150 - Person.

"Person" means, without limitation, any natural individual, organization, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and nonprofit), collective, cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

5.40.160 - Sale.

"Sale" means and includes any sale, exchange, or barter.

Part 2 - General Tax Provisions

5.40.200 - Other licenses, permits, taxes, fees or charges.

Nothing contained in this Chapter 5.05 shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any license or permit required by, under or by virtue of any provision of any other title or chapter of this code or any other ordinance of the city or resolution of the city council, nor be deemed to repeal, amend, be in lieu of, replace or in any

way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other title or chapter of this code including or any other ordinance of the city or resolution of the city council. Any references made or contained in any other title or chapter of this code to any licenses, license taxes, fees or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other titles or chapters of this code.

5.40.210 - Business tax certificate—Required.

- A. There are imposed upon all persons engaged in cannabis cultivation business or other cannabis business in the city taxes in the amounts prescribed in this chapter and Chapter 5.05. It shall be unlawful for any person, either for him or herself or for any other person, to commence, transact or carry on any cannabis cultivation business or other cannabis business in the city without first having procured a business license from the city under Chapter 5.05 and having paid the tax set forth therein, and without complying with any and all provisions contained in this chapter. The carrying on of any cannabis cultivation business or other cannabis business without complying with any and all provisions of this chapter and Chapter 5.05 shall constitute a separate violation of this chapter and Chapter 5.05 for each and every day that such business is so carried on.
- B. The business license required to be obtained under Chapter 5.05 and the taxes required to be paid under this chapter and Chapter 5.05 are declared to be required pursuant to the taxing power of the city solely for the purpose of obtaining revenue and are not regulatory permit fees.

5.40.220 - Payment of tax does not authorize unlawful business.

- A. The payment of a business license tax required by this chapter, and its acceptance by the city, shall not entitle any person to carry on any cannabis cultivation business or other cannabis business unless the person has complied with all of the requirements of this code and all other applicable laws, nor to carry on any such business in any building or on any premises in the event that such building or premises are situated in a zone or locality in which the conduct of such cannabis cultivation business or other cannabis business is in violation of any law.
- B. No tax paid under the provisions of this chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any ordinance of the city.

5.40.230 - Application—Form and contents.

Every person required to have a business license under the provisions of Chapter 5.05 shall make application for the same, or for renewal of the same, to the director. Such application shall be a written statement upon a form or forms provided by the director and shall be signed by the applicant under penalty of perjury. The application shall set forth such information as may be required and as may be reasonably necessary to properly determine the amount of the tax to be paid by the applicant under Chapter 5.05, together with such other information as is required by the director to enable the director to administer the provisions of this chapter.

5.40.240 - Payment—Location.

The tax imposed under this chapter shall be paid to the director in lawful money of the United States, at the office of the director, or any other location designated by the director. Lawful money shall mean any coin, currency or negotiable instrument, exchangeable for said coin or currency, which the United States Congress has declared to be a national legal tender.

5.40.250 - Amount of business tax owed.

A. Tax Rate for cannabis cultivation businesses.

1. In addition to the business tax imposed under Chapter 5.05 of this code and the requirements set forth therein, every person engaged in a cannabis cultivation business in the city shall pay a business tax at a rate of up to five dollars (\$5.00) per square foot of space. The tax under this chapter shall not be imposed on cannabis cultivation businesses unless and until the city council, by ordinance, takes action to set a tax rate not to exceed five dollars (\$5.00) per square foot of space.
2. Notwithstanding the maximum tax rate of five dollars per square foot of space imposed under Subsection A.1., the city council may, in its discretion, at any time by ordinance, implement a lower tax rate for cannabis cultivation businesses or establish differing tax rates for different categories of cannabis cultivation businesses, as defined in such ordinance, subject to the maximum rate of five dollars per square foot of space. The city council may, by ordinance, also increase any such tax rate from time to time, not to exceed the maximum tax rate of five dollars per square foot of space in accordance with subsection A.1., above.

B. Tax rate for other cannabis businesses.

1. In addition to the business tax imposed under Chapter 5.05 of this code and the requirements set forth therein, every person engaged in any other cannabis business in the city shall pay a business tax at a rate of up to ten percent (10%) of gross receipts. The tax under this chapter shall not be imposed on other cannabis businesses unless and until the city council, by ordinance, takes action to set a tax rate not to exceed ten percent of gross receipts.
2. Notwithstanding the maximum tax rate of ten percent of gross receipts imposed under Subsection B.1., the city council may, in its discretion, at any time by ordinance, implement a lower tax rate for other cannabis businesses or establish differing tax rates for different categories of other cannabis businesses, as defined in such ordinance, subject to the maximum rate of ten percent of gross receipts. The city council may, by ordinance, also increase any such tax rate from time to time, not to exceed the maximum tax rate of ten percent of gross receipts in accordance with subsection B.1., above.

5.40.260 - Payment—Time limits.

The business tax imposed by this chapter shall be due and payable as follows:

- A. Each person owing a tax under this chapter shall, on or before the last day of each calendar month, prepare and submit a tax return to the director of the total square foot of space and/or the total gross receipts and remit the amount of tax owed for that calendar month by the twentieth day of the following calendar month, and becomes

delinquent thereafter. At the time the tax return is filed, the full amount of the tax owed for the preceding calendar month shall be remitted to the director.

- B. All tax returns shall be completed on forms provided by the director.
- C. Tax returns and payments for all outstanding taxes owed the city are immediately due the director upon cessation of business for any reason.

5.40.270 - Payment—When taxes deemed delinquent.

Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not paid on or before the due date specified in Section 5.40.260.

5.40.280 - Notice not required by city.

The director is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

5.40.290 - Payment—Penalty for delinquency.

- A. Any person who fails or refuses to pay any business tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:
 - 1. Original Delinquency. A penalty equal to twenty-five percent of the amount of the tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent per month or fraction thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid; and
 - 2. Continued Delinquency. An additional penalty equal to twenty-five percent of the amount of the tax if the tax remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid tax calculated at the rate of one percent per month or fraction thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
- B. Whenever a check is submitted in payment of a business tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the taxpayer will be liable for the tax amount due plus penalties and interest as provided for in this section plus any amount allowed under state law.
- C. The business tax due shall be that amount due and payable from the first date on which the person was engaged in cannabis cultivation business or other cannabis business in the city, together with applicable penalties and interest calculated in accordance with subsection A. above.

5.40.300 - Waiver of penalties.

The director may waive the first and second penalties of twenty-five percent each imposed upon any person if:

- A. The person provides evidence satisfactory to the director that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent business tax and accrued interest owed the city prior to applying to the director for a waiver.
- B. The waiver provisions specified in this subsection shall not apply to interest accrued on the delinquent tax and a waiver shall be granted only once during any twenty-four-month period.

5.40.310 - Refunds—Credits.

- A. No refund shall be made of any tax collected pursuant to this chapter except as provided in Section 5.40.320.
- B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution or other termination of a business.
- C. Any person entitled to a refund of taxes paid pursuant to this chapter may elect in writing to have such refund applied as a credit against such person's business taxes for the next calendar month.

5.40.320 - Refunds and procedures.

- A. Whenever the amount of any business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the city under this chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund shall be presented to the director within one year of the date of payment, and in the manner prescribed by Part 3 of Division 3.6 of Title 1 of the California Government Code (commencing with section 900 thereof) for the claims to which that part applies by its own terms, as those provisions now exist or shall hereafter be amended, and as further provided by this section.
- B. All claims shall be made in writing and verified under the penalty of perjury by the claimant or by his or her guardian, conservator, executor or administrator. All tax refund claims shall be filed on the refund claim form prescribed by the director. In the event that the director has not prescribed a form of claim, the tax refund claim shall contain:
 - 1. The information required by California Government Code Section 910; and
 - 2. The specific amount claimed to have been overpaid, paid more than once, or erroneously or illegally collected or received by the city; and
 - 3. The grounds upon which the claim is founded, with specificity sufficient to enable the director and other responsible city officials to understand and evaluate the claim; and
 - 4. Documentation supporting the amount of the refund sought.

The foregoing reference to Government Code Section 910 shall not be construed to authorize a class claim, and no claim may be filed on behalf of a class of persons unless verified by every member of that class.

- C. The director or the director's authorized agent shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant therefor refuses to allow such examination of claimant's books and business records after request by the director to do so.
- D. In the event that the business tax was erroneously paid and the error is attributable to the city, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the city shall retain an administrative fee as set forth in a resolution of the city council from the amount to be refunded to cover the city's expenses.
- E. The director shall initiate a refund of any business tax which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is uncovered by a city audit of business tax receipts. In the event that the business tax was erroneously paid and the error is attributable to the city, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the city shall retain an administrative fee as set forth in a resolution of the city council from the amount to be refunded to cover the city's expenses.
- F. In accordance with California Government Code sections 935(b) and 945.6, all claims shall be presented as provided in this section and acted upon by the city prior to the filing of any action on such claims and no such action may be maintained by a person who has not complied with the requirements of this section.
- G. Any action brought against the city upon any claim or demand shall conform to the requirements of Sections 940—949 of the California Government Code. Any action brought against any employee of the city shall conform with the requirements of section 950—951 of the California Government Code.

Part 3 - Exemptions

5.40.400 - Exemptions—Application—Issuance condition.

Any person desiring to claim exemption from the payment of the tax set forth in this chapter shall make application therefor upon forms prescribed by the director and shall furnish such information and make such affidavits as may be required by the director.

5.40.410 - Exemptions—General.

Except as may be otherwise specifically provided in this chapter, the terms hereof shall not be deemed or construed to apply to any person when imposition of the tax upon that person would violate the Constitution of the United States or that of the state of California or preemptive federal or state law.

5.40.420 - Exemptions—Occasional transactions.

- A. The provisions of this chapter shall not apply to persons having no fixed place of business within the city who come into the city for the purpose of transacting a specific item of business at the request of a specific patient, client or customer, provided that such person does not come into the city for the purpose of transacting business on more than five days during any calendar year.

- B. For any person not having a fixed place of business within the city who comes into the city for the purpose of transacting business and who is not exempt as provided in subsection A. of this section, the business tax payable by such person may be apportioned by the director in accordance with Section 5.40.520.

Part 4 - Administration and Enforcement

5.40.500 - Enforcement—Duties of director and chief of police.

It shall be the duty of the director to enforce each and all of the provisions of this chapter, and the chief of police shall render such assistance in the enforcement of this chapter as may from time to time be required by the director.

5.40.510 - Rules and regulations.

For purposes of apportionment as may be required by law and for purposes of administration and enforcement of this chapter generally, the director, with the concurrence of the city attorney, may from time to time promulgate administrative rules and regulations.

5.40.520 - Apportionment.

- A. None of the tax provided for by this chapter shall be applied so as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States or the state of California.
- B. If any case where a business tax is believed by a taxpayer to place an undue burden upon interstate commerce or be violative of such constitutional clauses, the taxpayer may apply to the director for an adjustment of the tax. It shall be the taxpayer's obligation to request in writing for an adjustment within one year after the date of payment of the tax. If the taxpayer does not request in writing within one year from the date of payment, then taxpayer shall be conclusively deemed to have waived any adjustment for that year.
- C. The taxpayer shall, by sworn statement and supporting testimony, show the method of business and the gross volume of business and such other information as the director may deem necessary in order to determine the extent, if any, of such undue burden or violation. The director shall then conduct an investigation, and shall fix as the tax for the taxpayer an amount that is reasonable and nondiscriminatory, or if the tax has already been paid, shall order a refund of the amount over and above the tax so fixed. In fixing the tax to be charged, the director shall have the power to base the tax upon a percentage of gross receipts or any other measure which will assure that the tax assessed shall be uniform with that assessed on businesses of like nature, so long as the amount assessed does not exceed the tax as prescribed by this chapter.
- D. Should the director determine that the gross receipt measure of tax to be the proper bases, the director may require the taxpayer to submit a sworn statement of the gross receipts and pay the amount of tax as determined by the director.

5.40.530 - Audit and examination of records and equipment.

The director shall have the power to audit and examine all books and records of persons engaged in cannabis cultivation business or other cannabis business including both state and

federal income tax returns, California sales tax returns, or other evidence documenting the square foot of space and/or gross receipts of persons engaged in cannabis cultivation business and/or other cannabis business, and, where necessary, all equipment, of any person engaged in such a business in the city, for the purpose of ascertaining the amount of business tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to the provisions of this chapter. If such person, after written demand by the director, refuses to make available for audit, examination or verification such books, records or equipment as the director requests, the director may, after full consideration of all information within his or her knowledge concerning the cannabis cultivation business or other cannabis business and activities of the person so refusing, make an assessment in the manner provided in Sections 5.40.560 through 5.40.580 of any taxes estimated to be due.

5.40.540 - Tax deemed debt to city.

The amount of any tax, penalties and interest imposed by the provisions of this chapter shall be deemed a debt to the city and any person carrying on any cannabis cultivation business or other cannabis business without first having procured a business license shall be liable in an action in the name of the city in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such business.

5.40.550 - Deficiency determinations.

If the director is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Sections 5.40.560 through 5.40.580.

5.40.560 - Tax assessment—Authorized when nonpayment—Fraud.

- A. Under any of the following circumstances, the director may make and give notice of an assessment of the amount of tax owed by a person under this chapter:
1. If the person has not filed any statement or return required under the provisions of this chapter;
 2. If the person has not paid any tax due under the provisions of this chapter;
 3. If the person has not, after demand by the director, filed a corrected statement or return, or furnished to the director adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under the provisions of this chapter;

4. If the director determines that the nonpayment of any business tax due under this chapter is due to fraud, a penalty of fifty percent of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this chapter.
- B. The notice of assessment shall separately set forth the amount of any tax known by the director to be due or estimated by the director, after consideration of all information within the director's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

5.40.570 - Tax assessment—Notice requirements.

The notice of assessment shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business appearing on the face of the business license issued under Chapter 5.05 or to such other address as he or she shall register with the director for the purpose of receiving notices provided under this chapter; or, should the person have no business license issued and should the person have no address registered with the director for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

5.40.580 - Tax assessment—Hearing—Application and determination.

Within ten days after the date of service the person may apply in writing to the director for a hearing on the assessment. If application for a hearing before the city is not made within the time herein prescribed, the tax assessed by the director shall become final and conclusive. Within thirty days of the receipt of any such application for hearing, the director shall cause the matter to be set for hearing before him or her not later than thirty days after the date of application, unless a later date is agreed to by the director and the person requesting the hearing. Notice of such hearing shall be given by the director to the person requesting such hearing not later than five days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the director should not be confirmed and fixed as the tax due. After such hearing the director shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 5.40.570 for giving notice of assessment.

5.40.590 - Conviction for chapter violation—Taxes not waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

5.40.600 - Violation deemed misdemeanor—Penalty.

Any person violating any of the provisions of this chapter or any regulation or rule passed in accordance herewith, or knowingly or intentionally misrepresenting to any officer or employee of the city any material fact in procuring the business license provided for in Chapter 5.05 shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of

not more than five hundred dollars or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

5.40.610 - Effect of state and federal reference/authorization.

Unless specifically provided otherwise, any reference to a state or federal statute in this chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any amendment thereto, or to any change of interpretation thereto by a state or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would, under California law, require voter approval of such amendment or interpretation, or to the extent that such change would result in a tax decrease. To the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.

To the extent that the city's authorization to collect or impose any tax imposed under this chapter is expanded as a result of changes in state or federal law, no amendment or modification of this chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this chapter.

5.40.620 - Subject to annual city audits.

The revenues from the tax imposed by this chapter shall be subject to the annual audit performed by the city's independent auditor of the city's municipal books, records, accounts and fiscal procedures.

5.40.630 - Remedies cumulative.

All remedies and penalties prescribed by this chapter or which are available under any other provision of law or equity, including, but not limited to, the California False Claims Act (Government Code section 12650 et seq.) and the California Unfair Practices Act (Business and Professions Code section 17070 et seq.), are cumulative. The use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

5.40.640 - Amendment or repeal.

Chapter 5.40 of the Rio Dell Municipal Code may be repealed or amended by the city council without a vote of the people. However, as required by Article XIIC of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this chapter. The people of the city of Rio Dell affirm that the following actions shall not constitute an increase of the rate of a tax:

- A. The restoration of the rate of the tax to a rate that is no higher than that set by this chapter, if the city council has acted to reduce the rate of the tax;

- B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this chapter;
- C. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this chapter); or
- D. The collection of the tax imposed by this chapter, even if the city had, for some period of time, failed to collect the tax.

5.40.650 – Severability.

Should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this ordinance as hereby adopted shall remain in full force and effect.

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



August 2, 2016

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Approving Resolution No. 1305-2016 Submitting to the Voters an Advisory Measure With A Related Request To The Board Of Supervisors Of Humboldt County To Consolidate Said Election With The Statewide General Election; Further Directing The City Clerk To Take Any And All Actions Necessary Under Law To Prepare For And Conduct The Election.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1305-2016

BACKGROUND AND DISCUSSION

On the evening of July 19, 2016 Councilmember Debra Garnes made a motion to call a special meeting to place an advisory measure related to cannabis on the ballot for the November 8, 2016 General Election. On July 26, 2016 the City Council convened a special meeting to consider a cannabis related advisory measure. The City Council opted to table the item until August 2, 2016.

It is important to note that an advisory measure is completely non-binding and serves as a tool for the Council to hear from city voters.

The City Attorney has drafted the appropriate language for Council consideration. Unlike a tax proposal, an advisory measure is relatively simple. The main question for the council is to consider the language of the question itself. No pro or con arguments will be submitted with an advisory measure, and no fiscal analysis is required. The public will simply be presented with a single question, and the phrasing of that question is important.

Options include:

- A. Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the area of the City that is located to the north of the Eel River and commonly referred to as the Sawmill Annexation Area? (Proposed Resolution No. 1305-2016A)

- B. Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the City? (Proposed Resolution No. 1305-2016B)
- C. Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the City if that activity is subject to local taxation? (Proposed Resolution No. 1305-2016C)
- D. Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the area of the City that is located to the north of the Eel River and commonly referred to as the Sawmill Annexation Area if that activity is subject to local taxation? (Proposed Resolution No. 1305-2016D)

///

RESOLUTION NO. 1305-2016A



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL SUBMITTING TO THE VOTERS AT THE GENERAL ELECTION ON NOVEMBER 8, 2016, AN ADVISORY BALLOT MEASURE TO ALLOW THE VOTERS TO INDICATE THEIR APPROVAL OR DISAPPROVAL OF PERMITTING COMMERCIAL CANNABIS ACTIVITY WITHIN THE CITY; REQUESTING THE BOARD OF SUPERVISORS OF HUMBOLDT COUNTY TO CONSOLIDATE SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE ELECTION.

WHEREAS, on October 9, 2015, Governor Brown approved a package of three bills enacted by the legislature on September 11, 2015, i.e., SB 643, AB 243, and AB 266, providing for comprehensive, concurrent regulation and licensing by state and local governments of medical cannabis as an agricultural product, including its cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery; and

WHEREAS, the City Council of the City of Rio Dell has extensively studied and considered regulating the commercial cultivation, processing, manufacturing and distribution of Cannabis use within the City;

WHEREAS, the City Council has found that many citizens of the City of Rio Dell hold strong and passionate opinions in favor of or against the subject and have voiced such opinions during meetings of the City Council;

WHEREAS, before the City Council takes further action on the subject, given its importance, the City Council wants to better understand the desire of the citizenry by allowing the qualified voters to indicate their approval or disapproval at the Statewide General Election to be held on November 8, 2016; and

WHEREAS, accordingly, the City Council desires to place on the ballot an advisory measure, posing the question set forth below in Section 3 to the qualified voters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell:

1. Recitals, The foregoing recitals are true and correct and are hereby incorporated by reference.

2. Call Election; Placement of Measure on the Ballot. Pursuant to California Elections Code Section 9603, the City Council of the City of Rio Dell hereby calls an advisory election at which it shall submit to the qualified voters of the City and advisory ballot measure, to allow the voters to indicate their approval or disapproval of the ballot proposal set forth in Section 3, below. The measure shall include the heading: "Advisory Vote Only". This measure shall be designated by letter by the Humboldt County Registrar of Voters. Pursuant to Election Code Section 9603(e) and 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on November 8, 2016, and be held and conducted in the manner prescribed by Elections Code Section 10418.

3. Ballot Language. The question to be presented to the voters is as follows:

ADVISORY VOTE ONLY

Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the area of the City that is located to the north of the Eel River and commonly referred to as the Sawmill Annexation Area?	YES	
	NO	

4. Publication of Measure. The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Rio Dell, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

5. Request to Consolidate and Conduct Election and Canvass Returns.

(a) Pursuant to the requirement of Section 10403 of the Elections Code, the Board of Supervisors of the County of Humboldt is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide

General Election on Tuesday, November 8, 2016, for the purpose of placing the ballot proposal set forth in Sections 3 on the ballot.

- (b) The County of Humboldt Registrar of Voters is authorized to canvass the returns of the municipal election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.
- (c) The Board of Supervisors is requested to issue instructions to the Humboldt County registrar of voters take any and all steps necessary for the holding of the consolidated election.
- (d) The City of Rio Dell recognizes that additional costs will be incurred by the County of Humboldt by reason of this consolidation and agrees to reimburse the County for any costs.

6. Submission of Ballot Argument and Impartial Analysis.

- (a) The submission of ballot arguments for or against the measure shall be conducted pursuant to Election Code sections 9281 through 9287.
- (b) The last day for submission of direct arguments for or against the measure shall be by August 17, 2016.
- (c) Direct arguments shall not exceed three hundred (300) words and shall be signed by not more than five persons.
- (d) The City Attorney shall prepare an impartial analysis of the measure by August 29, 2016.

7. Effective Date. This Resolution shall become effective immediately upon its adoption and the City Clerk is directed to send certified copies of the Resolution to the Humboldt County Board of Supervisors and the Humboldt County Registrar of Voters.

PASSED AND ADOPTED by the City Council of the City of Rio Dell, State of California, on July 26, 2016, by the following vote:

AYES:

NOES:

ABSENT:

Frank Wilson, Mayor

Attest:

Karen Dunham, Rio Dell City Clerk

RESOLUTION NO. 1305-2016B



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL SUBMITTING TO THE VOTERS AT THE GENERAL ELECTION ON NOVEMBER 8, 2016, AN ADVISORY BALLOT MEASURE TO ALLOW THE VOTERS TO INDICATE THEIR APPROVAL OR DISAPPROVAL OF PERMITTING COMMERCIAL CANNABIS ACTIVITY WITHIN THE CITY; REQUESTING THE BOARD OF SUPERVISORS OF HUMBOLDT COUNTY TO CONSOLIDATE SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE ELECTION.

WHEREAS, on October 9, 2015, Governor Brown approved a package of three bills enacted by the legislature on September 11, 2015, i.e., SB 643, AB 243, and AB 266, providing for comprehensive, concurrent regulation and licensing by state and local governments of medical cannabis as an agricultural product, including its cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery; and

WHEREAS, the City Council of the City of Rio Dell has extensively studied and considered regulating the commercial cultivation, processing, manufacturing and distribution of Cannabis use within the City;

WHEREAS, the City Council has found that many citizens of the City of Rio Dell hold strong and passionate opinions in favor of or against the subject and have voiced such opinions during meetings of the City Council;

WHEREAS, before the City Council takes further action on the subject, given its importance, the City Council wants to better understand the desire of the citizenry by allowing the qualified voters to indicate their approval or disapproval at the Statewide General Election to be held on November 8, 2016; and

WHEREAS, accordingly, the City Council desires to place on the ballot an advisory measure, posing the question set forth below in Section 3 to the qualified voters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rio Dell:

1. Recitals, The foregoing recitals are true and correct and are hereby incorporated by reference.

2. Call Election; Placement of Measure on the Ballot. Pursuant to California Elections Code Section 9603, the City Council of the City of Rio Dell hereby calls an advisory election at which it shall submit to the qualified voters of the City and advisory ballot measure, to allow the voters to indicate their approval or disapproval of the ballot proposal set forth in Section 3, below. The measure shall include the heading: "Advisory Vote Only". This measure shall be designated by letter by the Humboldt County Registrar of Voters. Pursuant to Election Code Section 9603(e) and 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on November 8, 2016, and be held and conducted in the manner prescribed by Elections Code Section 10418.

3. Ballot Language. The question to be presented to the voters is as follows:

ADVISORY VOTE ONLY

Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the City?	YES	
	NO	

4. Publication of Measure. The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Rio Dell, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

5. Request to Consolidate and Conduct Election and Canvass Returns.

(a) Pursuant to the requirement of Section 10403 of the Elections Code, the Board of Supervisors of the County of Humboldt is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 8, 2016, for the purpose of placing the ballot proposal set forth in Sections 3 on the ballot.

- (b) The County of Humboldt Registrar of Voters is authorized to canvass the returns of the municipal election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.
- (c) The Board of Supervisors is requested to issue instructions to the Humboldt County registrar of voters take any and all steps necessary for the holding of the consolidated election.
- (d) The City of Rio Dell recognizes that additional costs will be incurred by the County of Humboldt by reason of this consolidation and agrees to reimburse the County for any costs.

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- (d) The City Attorney shall prepare an impartial analysis of the measure by August 29, 2016.

7. Effective Date. This Resolution shall become effective immediately upon its adoption and the City Clerk is directed to send certified copies of the Resolution to the Humboldt County Board of Supervisors and the Humboldt County Registrar of Voters.

PASSED AND ADOPTED by the City Council of the City of Rio Dell, State of California, on July 26, 2016, by the following vote:

AYES:

NOES:

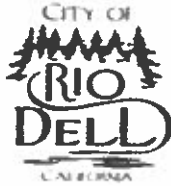
ABSENT:

Frank Wilson, Mayor

Attest:

Karen Dunham, Rio Dell City Clerk

RESOLUTION NO. 1305-2016C



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL SUBMITTING TO THE VOTERS AT THE GENERAL ELECTION ON NOVEMBER 8, 2016, AN ADVISORY BALLOT MEASURE TO ALLOW THE VOTERS TO INDICATE THEIR APPROVAL OR DISAPPROVAL OF PERMITTING COMMERCIAL CANNABIS ACTIVITY WITHIN THE CITY; REQUESTING THE BOARD OF SUPERVISORS OF HUMBOLDT COUNTY TO CONSOLIDATE SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE ELECTION.

WHEREAS, on October 9, 2015, Governor Brown approved a package of three bills enacted by the legislature on September 11, 2015, i.e., SB 643, AB 243, and AB 266, providing for comprehensive, concurrent regulation and licensing by state and local governments of medical cannabis as an agricultural product, including its cultivation, processing, testing, manufacture, distribution, transportation, dispensing, and delivery; and

WHEREAS, the City Council of the City of Rio Dell has extensively studied and considered regulating the commercial cultivation, processing, manufacturing and distribution of Cannabis use within the City;

WHEREAS, the City Council has found that many citizens of the City of Rio Dell hold strong and passionate opinions in favor of or against the subject and have voiced such opinions during meetings of the City Council;

WHEREAS, before the City Council takes further action on the subject, given its importance, the City Council wants to better understand the desire of the citizenry by allowing the qualified voters to indicate their approval or disapproval at the Statewide General Election to be held on November 8, 2016; and

WHEREAS, accordingly, the City Council desires to place on the ballot an advisory measure, posing the question set forth below in Section 3 to the qualified voters.

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1. Recitals, The foregoing recitals are true and correct and are hereby incorporated by reference.

2. Call Election; Placement of Measure on the Ballot. Pursuant to California Elections Code Section 9603, the City Council of the City of Rio Dell hereby calls an advisory election at which it shall submit to the qualified voters of the City and advisory ballot measure, to allow the voters to indicate their approval or disapproval of the ballot proposal set forth in Section 3, below. The measure shall include the heading: "Advisory Vote Only". This measure shall be designated by letter by the Humboldt County Registrar of Voters. Pursuant to Election Code Section 9603(e) and 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on November 8, 2016, and be held and conducted in the manner prescribed by Elections Code Section 10418.

3. Ballot Language. The question to be presented to the voters is as follows:

ADVISORY VOTE ONLY

Should the City of Rio Dell, by the necessary and appropriate action, permit commercial cannabis business activity, including cannabis cultivation, testing, processing and sales, within the City if that activity is subject to local taxation?	YES	
	NO	

4. Publication of Measure. The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Rio Dell, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

5. Request to Consolidate and Conduct Election and Canvass Returns.

(a) Pursuant to the requirement of Section 10403 of the Elections Code, the Board of Supervisors of the County of Humboldt is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide

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7. Effective Date. This Resolution shall become effective immediately upon its adoption and the City Clerk is directed to send certified copies of the Resolution to the Humboldt County Board of Supervisors and the Humboldt County Registrar of Voters.

PASSED AND ADOPTED by the City Council of the City of Rio Dell, State of California, on July 26, 2016, by the following vote:

AYES:

NOES:

ABSENT:

Frank Wilson, Mayor

Attest:

Karen Dunham, Rio Dell City Clerk

RESOLUTION NO. 1305-2016D



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL SUBMITTING TO THE VOTERS AT THE GENERAL ELECTION ON NOVEMBER 8, 2016, AN ADVISORY BALLOT MEASURE TO ALLOW THE VOTERS TO INDICATE THEIR APPROVAL OR DISAPPROVAL OF PERMITTING COMMERCIAL CANNABIS ACTIVITY WITHIN THE CITY; REQUESTING THE BOARD OF SUPERVISORS OF HUMBOLDT COUNTY TO CONSOLIDATE SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE ELECTION.

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PASSED AND ADOPTED by the City Council of the City of Rio Dell, State of California, on July 26, 2016, by the following vote:

AYES:

NOES:

ABSENT:

Frank Wilson, Mayor

Attest:

Karen Dunham, Rio Dell City Clerk